





Wagner's devotees return to the castle of the smaller roles and to some extent the larger ones as well, are on a much higher level. Even allowing for the greater pleasure and tenderness of Wagner-going in a medium-sized German town with its lovely, tree-lined streets in a narrow street but in a park of central and easy access, the clear advantage of the Wagner's at Stuttgart, Wieland Wagner's

much deformed, a slight hump at the shoulder, a stiff-necked, a little, but the swiftness of the head, the swellings of the eyes, the knowing nods (all so characteristic of Mr. Rosner) that with a little more of them become mannerisms) suggest a deformity of spirit more glaring than any physical defect.

Richmond, Queen Margaret very; but the very thing that deprived of her great scene with Queen Elizabeth and the Duchess of York; the Duchess, in fact, is not to be compared with the

the gains, however, infinitely outweigh the losses. Clearly Mr. St. Aubrey's interest in the opera was no flash in the pan. He was no flash in the pan.

more akin to a cup tie than an ordinary league match.

Bert Head decided upon the last solution, but with one big difference: he purchased anybody—and here it must be remembered that Crystal Palace are not one of those clubs who are so fond of selling out 5,000 on first team cover—he was able to sell Kember and Birchenhai,

can enter the transfer market.

defensive role and noticeably tired towards the end.

**Vital game**

Working industriously, mainly on the left and in front of Blyth, was the chunky, experienced forward, who was a vital part in Leicester's promotion last

**Experienced**

Elizabeth Hall

# Fires of London

the ICA in November—part *Thorn*, commissioned by Jesus

**Carrington**—The new chairman of England's selectors, Dr. D. Sanders, is optimistic (he has to be of course) and if anyone can remove the players it is he. The changes made are not entirely by some unadventurous selections at county level which slows down the impetus of England's younger players in their vital development.

In Rugby history when as a result of Welsh successes and the arrival of the Lions, a dominant approach to the game has become universally accepted. It is perhaps more than a coincidence that this is the first season of the Rugby Union knock-out cup, and head office seems to be applying a gentle

[illegible][illegible][illegible]



matter of political  
Council of Ministers  
asked to seek a  
In the ultimate  
there are no powers  
any decision upon a  
findings. So far as  
compliance with the  
the only solution is  
Press comment on  
from membership  
Council of Europe.

The case of the  
Asians is at the  
lawyers' arguments  
adduced and on a  
complexity. A  
Constitution. But the  
lack of sufficient  
provides a right of  
citizens. Since the  
Asians cannot leave  
national freedom, im-  
ing that the British  
ment's treatment of  
sanctions those who  
London is a  
— alternative  
scuttling is a  
right to security of  
persons.

**Discrimination**

The convention  
being a perfect  
protecting human  
rights are left un-  
protected. Racial  
discrimination is  
prescribed only in  
freedom guaranteed  
to the rule of  
Social security  
unfounded. Political  
rights are  
covered.

There are also  
about the machinery  
vention. The Com-  
posed of 18 European  
has been over-  
preparing the rights  
desired mainly for  
place. The govern-  
ment has turned  
what is a novel  
More recently, the  
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the earlier hearing of  
African Asians case.

Commission says the  
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**HOTELS**

inference hall  
at one of the  
return scheduled at  
£46.50 per person  
01-730

**OPPORTUNITIES**

SHIRER BUREAU  
BRANCH OFFICES

**SHIRER BUREAU**

Wanted  
EXPAN

**SHIRER BUREAU**

Wanted  
EXPAN

**SHIRER BUREAU**

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**SHIRER BUREAU**

Wanted  
EXPAN

## S. HOFFNUNG & CO. LIMITED

AUSTRALIAN MERCHANTS  
Established in Australia in 1852  
Head Office: London, E.C.2.  
Branches: Sydney, Brisbane and Melbourne  
Subsidiaries in Australia, New Zealand and Fiji

**RECORD PROFITS ACHIEVED**

Summary of Results	Year to 31st March
	1971 1970
Group profit before taxation	£1,308,944 £1,020,203
Group profit after minority interest and taxation	£699,522 £543,702
Ordinary dividend	£441,502 £429,941 (36%) (35%)
Retained in the business out of the year's profit	£258,020 £128,761
Net shareholders' funds	£8,333,566 £6,880,960

Points from the report of the Chairman, Mr. H. Roland Bourne:

Our main warehouse in Sydney has been sold and we have acquired on favourable terms seven acres of freehold land at Alexandria, a suburb of Sydney, on which our new warehouse is being erected and which is scheduled to be completed early in 1972. Neither of our two retail hardware acquisitions contributed a full year's profits.

Although sales for the first 4 months of the current year show an increase of over 7%, it is really too early to forecast the results for the full year. There are as always a number of factors which could adversely affect the results of the Group, but there are, however, favourable factors.

First, we are confident that when fully operational the new warehouse will enable us to handle a larger throughput more efficiently and economically, and will also result in a reduction in overhead expenses. Secondly, in the current year, we shall enjoy a full year's contribution to profits from both Aylward & Kennedy and Seymours. Thirdly, we look for improved results from our manufacturing subsidiaries.



## The CII presidential address 1971

In his address to the annual conference of the Chartered Insurance Institute in Scarborough on Friday 24 September, Mr. Allan Grant, M.C., F.I.C.I., said that in an era of rapid change the insurance business was faced with ever-increasing complexity and magnitude in the risks it was called upon to handle. In this situation it became imperative that young people coming into the business were given every opportunity to acquire a soundly based insurance education which would enable them to match their skills to the complexities of the market place. The Institute's new syllabus, which would come into effect in 1972, coupled with a raising of the general educational standards required of candidates presenting themselves for the Qualifying examination, would do much to achieve that aim.

It was gratifying that the Institute's postal tuition service had received an exceptionally commendatory report on all aspects of its work from the Council for the Accreditation of Correspondence Colleges when that body granted official accreditation to the service in 1971.

It was incumbent upon all Institute members to conform to irreproachable standards of conduct and behaviour in all their dealings with clients, the public, and the company or other organisation which they served. Such a requirement had always been implicit in membership of the Institute but the Council had now decided to express the principle in a published code of conduct.

Mr Grant paid tribute to Mr. H. A. L. Cockrell, O.B.E., B.A., F.I.C.I., who had retired in May 1971 after 25 years' service as secretary of the Institute.

For further information about the work of the CII write or phone THE CHARTERED INSURANCE INSTITUTE The Hall, Aldermanbury, London EC2V 7HY. 01-606 3835

## Overseas News

### Lonrho calls fraud charge "malicious"

By Our Own Correspondent

JOHANNESBURG police have confirmed that they had arrested Frederick Anthony Butcher, a director of the U.K. Lonrho company and a British subject, shortly after he had arrived in the city by air last week.

Following the arrest, Butcher appeared before a senior Johannesburg magistrate on an allegation of fraud. Bail of R5,000 was granted and proceedings were adjourned until November 30.

Butcher's arrest is believed to concern alleged takeover activities in South Africa in 1969. Lonrho has extensive interests in South Africa, including mining interests through Coronation Syndicate, Tweefontein United Collieries and Witbank Consolidated Coal Mines, all three of which are quoted on the Johannesburg Stock Exchange.

A Lonrho spokesman in London has commented: "Apparently no specific charge has been made but, on the facts available to us, we believe that the alleged charge can only have arisen from malicious complaints made over the last two years by a small shareholder of a local subsidiary company. "The Lonrho company is confident of its ability to answer any charges brought against it or against Mr. Butcher."

### Israel rejects U.N. envoy

By Our Own Correspondent

JERUSALEM, Sept. 26.

REACTING to last night's U.N. Security Council resolution calling for the despatch of an envoy to study the situation in Jerusalem, the Israel Government, after its weekly Cabinet meeting, today reaffirmed its stand that "there was no justification for the discussion and adoption of the resolution on Jerusalem by the Security Council."

Official opinion in Jerusalem holds that there was no need for such a discussion because Jerusalem is wide open to all visiting politicians, journalists, church dignitaries and tourists. According to the official statement added: "The Government of Israel will not enter into discussions on the basis of this resolution."

## Missing £300m. paid higher IMF quotas and BIS repayments

By PAUL LEWIS, U.S. EDITOR

WASHINGTON, Sept. 26.

THE BANK OF ENGLAND has transferred some £300m. worth of gold from the British reserves to the International Monetary Fund and the Bank for International Settlements. The loss of the gold was revealed in the last Bank of England quarterly review, which showed a £300m. decline in Britain's holding that reduced the metallic element in the reserves from nearly 50 per cent to around 22 per cent. At the time, no explanation was offered for this decline.

However, it now appears that while about £40m. was accounted for by the increase in Britain's gold quota with the IMF, a further £260m. was transferred to the Fund in settlement of various charges incurred by the U.K. in its recent drawings. Under a complex formula these had to be paid back in gold.

In addition, the Bank for International Settlements at Basle is understood to have received some £80m. worth of gold in the unwinding of an earlier credit arrangement, while a roughly similar sum was used to pay the new IMF gold quotas to some poorer sterling area countries.

Although the loss of roughly one half of their gold may well have encouraged the British monetary authorities to seek an increase in the official gold price as part of any solution for the present dollar crisis, there is no confirmation of reports that they were on the point of pressing for a dollar conversion when President Nixon abruptly closed the gold window. Nevertheless, the flight of private capital from the U.S.—which some estimates now put at over \$20,000m. in the fortnight before the President's announcement—had the bilateral and essentially number were showing interest in the precedent created by the Swiss of inserting a gold guar-

tee clause into their dollar swap arrangements.

The British gold payment to the BIS appears to mark the ending of an earlier group insurance for the Sterling Area countries, which also benefited from the payment of their IMF gold quota increases. But while the new Basle insurance scheme officially allows them a 10 per cent reduction in the minimum sterling holding required for the cover, some believe they have obtained a greater margin of flexibility by changing the definition of their reserves. After holding out a long while, one East African country believes it has secured an effective cut of some 30 per cent in its minimum sterling proportion. Although there is little likelihood of sterling holders switching out of London in the immediate future when the outlook for the dollar is uncertain, there is concern about the prospects in 1973, when the new insurance scheme runs out. Despite the Chancellor of the Exchequer's assurance to Commonwealth Finance Ministers in Nassau last week that they would be fully consulted about future changes in the pound's position, some remain apprehensive that the Basle guarantee may be withdrawn altogether in 1973, just when the British balance of payments starts to feel the effect of Common Market entry and earlier inflation.

This led them during the recent renewal negotiations to ask for an extension of the dollar guarantee on their sterling holdings beyond 1973, or for the creation of a multilateral working group to examine longer-term arrangements. However, the Bank of England successfully resisted pressure of this kind and has maintained that the bilateral and essentially secret nature of its engagements with individual sterling holders under the new Basle agreement.

## Italian unions angered by short-time at Pirelli

By OUR OWN CORRESPONDENT

ROME, September 26.

ITALIAN Labour Minister, Signor Carlo Donat Cattin, has called heads of the Milan-based Pirelli Rubber Company to Rome on Wednesday for talks following their announcement to reduce the work week of nearly 2,000 employees over the next month. Pirelli, which is Italy's largest manufacturer of rubber products, said that Italy's "generally unfavourable economic situation" was the main reason for the decision.

Pirelli's move has severely provoked the Italian unions. They claim that it is a new attack on the workers' salary and part of a general policy by the large companies "to make the workers suffer because of difficulties for which the workers are not responsible."

The Pirelli company, in its announcement, stated that almost 800 workers in two of its divisions would have their weekly hours reduced from 40 to 32, starting to-morrow.

## OECD Committee start delayed

By Robert Mauthner

PARIS, Sept. 26.

THE CREATION of the OECD's high-level Trade Committee, which was agreed in principle at a Ministerial meeting of the organisation as long ago as June, has been further delayed by disagreement over its composition.

It has all along been taken for granted that its members would include the U.S., Japan, Canada, West Germany, Britain and France, but snags have arisen over the representation of other Common Market countries. The first to complain about its exclusion was Italy and it has now been finally agreed that it will have a place on the Committee.

The national honour of the Belgians has been satisfied by the appointment of M. Jean Rey, a former President of the Common Market Commission, as the Committee's chairman. Although he will not be a national representative, he is at least a Belgian citizen.

But the Dutch, who were initially content with the appointment of one of their compatriots, Mr. Theodore Hiltzen, as the Common Market Commission's delegate, dug in their heels once Italy was granted membership of the Committee and demanded that they, too, should have a national representative.

### Weak position

The question was discussed at a meeting of the Dutch Cabinet at the end of last week, and it is not yet known here whether The Hague will stand firm on its demands. The view here, however, is that the Dutch will, in the end, adopt a conciliatory attitude and withdraw their candidature.

One of the main tasks of the Committee, on which Britain will be represented by Sir Richard Powell, a former Permanent Secretary at the Board of Trade, and France by M. Robert Marjolin, a former OECD Secretary General and one-time vice-president of the Common Market Commission, will be to study ways and means of preserving free trade in the world.

Although the Americans have temporarily put themselves in a weak position by the imposition of the 10 per cent import surcharge, they are still very much in favour of the Committee, which is being set up on their initiative.

The U.S. believes that the Committee could be instrumental in breaking down non-tariff barriers to trade, mitigating the effects of the Common Market's protectionist agricultural policy and preventing the creation of new preferential trading areas between the European Community and the EFTA non-candidates such as Sweden, Switzerland, Austria, Finland and Portugal.

## Belgian Government calls snap election for November 7

By REGINALD DALE

BRUSSELS, Sept. 26.

BELGIUM'S coalition Government has decided to cut short its term of office by six months and hold immediate elections. The General Election will be held on November 7, instead of next spring, and municipal elections are to follow a fortnight later.

Prime Minister Gaston Eyskens, leader of the majority coalition party, the Social Christians, said at the week-end that the aim of the decision was to avoid an extended period of pre-electoral uncertainty. The climate of domestic uncertainty, he claimed, had been further worsened by the confused world economic situation—one of every two Belgian workers depended on exports for his job, he added.

In the meantime, the coalition, in which the Social Christians are partnered by the Socialists (PSB), has not resigned and will carry on running the economy. Despite internal differences, the two parties will attempt to present some sort of united front to the electorate in November.

The Government claims that the main part of its programme for the solution of the perennial Belgian linguistic and cultural dispute has now been achieved. But its opponents, have been quick to point out that various loose ends remain to be tied up, and the main opposition party, the Liberals (PLP), is already PLF slipping even further.

accusing the Government of broken promises.

The truth, as seen by most political commentators here, is that the Government wants to go to the country with part of its programme unfinished rather than be forced into unpopular economic measures in the pre-electoral period. There has been talk of the need for tax increases towards the end of the year, and Mr. Eyskens himself has admitted that the new Government may have to take tough measures to control the economy.

A further difficulty for the coalition has been the uneasy relationship between the leadership of the PSB and the Social Christians, which flared into the open in a newspaper interview here last week. The Walloon and Flemish wings of the Social Christians are also divided among themselves on a number of linguistic issues.

Last night, Mr. Eyskens said he would prefer not to serve another term as Premier. But the latest available opinion polls show a continuation of the present political pattern to be likely. Accordingly, figures published in July, the Social Christians have gained somewhat in popularity, while the PSB has declined with the Liberals (PLP), is already PLF slipping even further.

## Brezhnev visit ends on promise of co-operation

By OUR OWN CORRESPONDENT

BELGRADE, Sept. 26.

THE VISIT of Mr. Leonid Brezhnev to Belgrade which ended yesterday turned out to be less controversial and more fruitful in many respects than many Yugoslavs and foreigners here alike anticipated, although neither side yielded much ground.

As President Tito said in his farewell speech at the airport, many things which accumulated over the years were cleared and the road of further co-operation was traced; that came as the consequence of mutual desire and interest.

The joint statement issued at the end of the talks indicates that Mr. Tito and Mr. Brezhnev not only discussed a wide range of bilateral and international problems but also that they found sufficient common ground to part as better friends than they were when they started the talks.

As a result, not only state but also party ties, on which Mr. Brezhnev apparently insisted, will be strengthened. Both state and party representatives of

various levels will meet more frequently, exchange views and consult on questions of bilateral relations and foreign policy.

It was repeated, because hte Yugoslavs never tire of hearing it again, that the mutual relations are based upon the 1955 Belgrade and 1956 Moscow declarations and the 1965 joint Yugoslav-Soviet statement, that, although the teaching of Marx, Engels and Lenin is the basis of the policies of all the Communist parties, it should be creatively applied and developed in accordance with the particularities of each country, that methods of Socialist construction are a matter for the people and the working class of individual countries and should not be opposed to each other.

Among the parts of the joint statement that will attract attention is the support of the two countries for a Balkans nuclear-free zone, and the statement that both parties consider the time ripe for reduction of armed forces and armaments in Europe.

# BOAC launch their Space Programme.

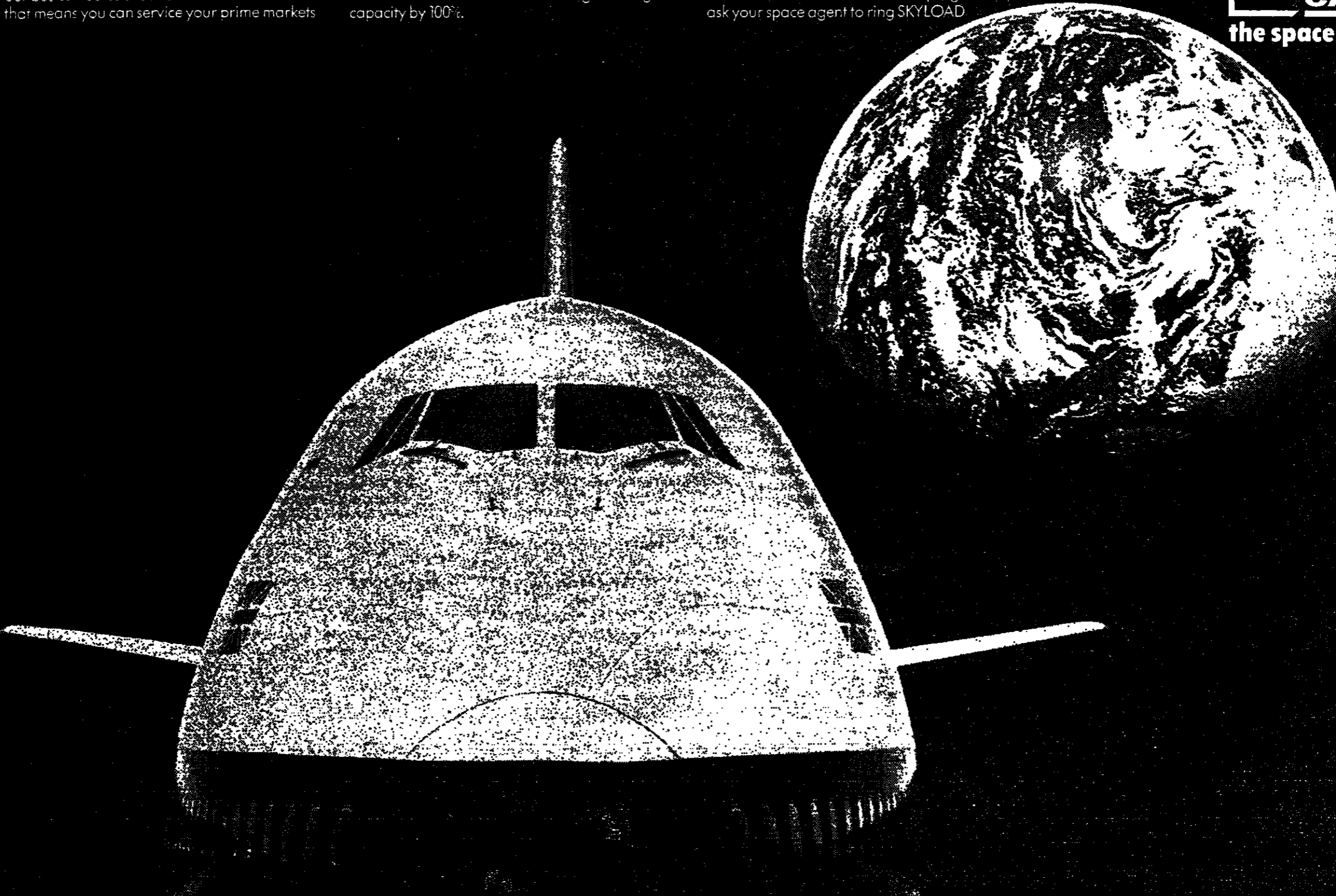
The Americans and Russians are reaching for the stars.  
Our interest in space is much closer to home.  
And what we're about to do is make much more of it available for your exports on our busiest routes around the world. And that means you can service your prime markets

more rapidly, more efficiently and more economically.  
Our fleet now includes more 747 space ships than any other airline outside the USA. They'll be lifting off to 14 more destinations in Africa, Asia and Australia this Autumn—and boosting our cargo capacity by 100%.

So, too, will our new space freighter service to Tokyo and Osaka.  
We've also a new space shuttle service to ferry through containers from ten regional UK centres to all BOAC destinations.  
To find out more about our programme, ask your space agent to ring SKYLOAD

Mission Control on 01-759 2388 or to contact your nearest regional launching pad.  
It's an ambitious programme that will pay off in time. Time saved, that is.

**BOAC CARGO**  
the space makers



## WARWICK ENGINEERING INVESTMENTS

### MR. P. R. V. WHEELER REVIEWS YEAR'S ACTIVITIES

The Annual General Meeting of Warwick Engineering Investments Limited was held on September 24 in London. Mr. P. R. V. Wheeler (the Chairman) presiding. The following are extracts from his circulated statement:

The Group Trading Loss for the financial year amounted to £2,587 as against £103,590 Profit for the previous twelve months.

**DAVENTRY ENGINEERING COMPANY LTD.** In April of last year the outlook for this Company looked brighter than for many years past. However, a substantial reduction in demand from two major customers led to a loss being incurred for the first half year. The position was further exacerbated by wage demands which had to be met in the Autumn of 1970. Further deterioration of the position coupled with strikes and labour unrest in the factories of our customers led the Board to decide to disengage and to cease the operation of the subsidiary. It was felt that the cash resources liberated could be more usefully employed in fostering the activities of our other subsidiaries.

Inevitably the loss incurred was increased by redundancy payments. Upon disposal the assets realised good values and stocks and work-in-progress were disposed of at a very satisfactory level.

**METALS & ALLOYS (BIRMINGHAM) LTD.** Having regard to the generally unsettled conditions in the engineering industry, the profit level achieved must be regarded as very satisfactory.

**Powder Products Division—Zinc Oxide** turnover remained at a high level and margins were satisfactory. Aluminium powders made a satisfactory contribution to profitability and some new export markets were opened up. Much work was done to improve the productivity of our magnesium powder plant believed to be unique in the world, but whilst it failed to show any profit for 1970/71, it is now assured of sufficient business to render the operation profitable during the current year. In the latter part of the calendar year 1970/71 our new aluminium powder plant at Anglesey operated by ALPOCO in which Company we are partners with INDALEX LIMITED (An RTZ Pillar subsidiary) commenced operations and despite teething troubles ran profitably for the few months of operation to the fiscal year end.

**Cast Products Division—Centrifugal Ferrous and Non-Ferrous** castings were in good demand generally, but influenced by the malaise in the heavier side of the industry upon which Metals & Alloys largely depends. The demand for continuous cast iron round and other section bar fell off as activity in the machine tool sector declined. However, stocks in France and Belgium have been established and material has been exported to the U.S.A.

**Cylinder Liners Division—Having overcome** most of the technical problems, the plant operated profitably for a short period only to encounter serious curtailment of orders due to the unhappy state of the automotive sector. Whilst this division for the third year running lost money, the losses have been reduced each year and would have been eliminated and a profit made had the sales level been maintained. Present sales are still inadequate and strong pressure is being exerted in overseas selling to counteract the difficult U.K. situation.

**AIRCRAFT FURNISHING LTD.** An increased turnover failed to result in an increase in profit. This was largely due to the effect of inflation on costs of materials and labour which could not be passed on to customers. Overheads were severely pruned, but the full effect was only felt during the latter part of the year under review. The present order situation is very satisfactory and the current year's turnover should exceed that of last year. A profit more commensurate with turnover should emerge.

## ANDERSON MAVOR LIMITED

### RESULTS IN LINE WITH FORECAST

At the Sixty-Seventh Annual General Meeting of the Company held in Glasgow on 23rd September, 1971, Mr. James Anderson, the Chairman, reported:

I have pleasure in submitting to you the Company's Accounts for the year ended 31 March 1971.

Last December my colleagues and I were pleased to welcome Mr. Desmond Misselbrook as an additional member of our Board. Mr. Misselbrook has been appointed Deputy Chairman and brings to our Board a wide and varied experience of industry and his contribution has already proved invaluable.

The Group trading results for the twelve months to 31 March, 1971, after taxation compare favourably with the 13 months to 31 March, 1970. This result is in line with the forecast which I gave in my Interim Statement last January. The overall results were severely affected by the accelerated deterioration in the results of Mavor & Coulson Limited where losses in the Manufacturing and Conveyor Contracting Divisions amounted to £380,000. It was expected that the Group would inevitably have to face a contraction in its overall profits whilst reorganisation of this subsidiary was being undertaken and unprofitable products discontinued. The integration of Mavor & Coulson Limited with the Anderson Boyes Division under a combined new management is well in progress and shareholders are entitled to expect that losses of such magnitude can now be progressively eliminated. The Conveyor Contracting Division has been hived off as a separate Division also under new management and improved results are expected.

The Sheffield factory has been reorganised. The Branches at Gateshead and Rotherham have been closed, and the buildings and land sold. These and other organisational changes will, your Directors expect, lead to greater efficiency and a return to more profitable trading.

#### SUBSIDIARIES AND DIVISIONS

M. & C. Switchgear Limited again made a loss but trading was improved sufficiently to reduce the loss from £196,000 to £104,000, and it is anticipated that this trend will continue, but in the present climate it is difficult to forecast when profitability will be reached.

It is encouraging that both the Anderson Boyes and the Hoy Division increased their profits, while Anderson Mavor (South Africa) (Pty) Limited, turned its loss into a profit.

Since there was a variation within the Group in the basis of the valuation of fixed assets and stocks and in the basis of depreciation, the opportunity was taken when the Group was reorganised to have these items standardised. An explanation regarding this is contained in the notes attached to the Accounts.

The greater part of the Group's turnover continues to be sold to the National Coal Board. In contrast to my statement last year, the prospects for the coal mining industry in the U.K. are greatly improved, and I have confidence that these better prospects will result in increased orders. I anticipate that the turnover for the present financial year will show an increase over previous years.

The past year has not been an easy one. Much time and energy has been, and is still being devoted to restructuring your Group's activities, and in the end your Group will emerge stronger and confident in the future.

Last year your Directors considered it prudent, in view of the uncertainties as outlined in my Statement, to restrict the dividend to 5%. The Directors now recommend a dividend of 7%.

To all—I would record the thanks of my colleagues and myself for their loyalty and hard work during a year when many difficult decisions have had to be made.

Copies of the Report and Accounts can be obtained from The Secretary, Anderson Mavor Limited, Flemington Electrical Works, Motherwell, Lanarkshire.

ELECTRICAL, MINING AND MECHANICAL  
ENGINEERS, MANUFACTURERS OF UNDER-  
GROUND COALCUTTERS AND LOADING MACHINES

## 'Poor' outlook for hover market

BY DAVID FISHLOCK, SCIENCE EDITOR

SALES OF only £90m. between now and 1985 of high-speed marine craft—hovercraft and hydrofoils—are forecast in an analysis by the Programmes Analysis Unit at Harwell.

The hydrofoil, the analysts conclude, will probably be preferred to the hovercraft for passenger-only ferry services, and also for routes where maximum sea-keeping ability is wanted.

The estimate of £90m. includes the land use of hovercraft and sale of spares. But a rider is added that the estimate of the European market—over half the total—could be low by as much as 30 per cent.

Competition from air transport and conventional ships make it unlikely, the PAU believes, that there will be enough goods of high enough value to support the large high-speed craft required for ocean service. Over short sea distances, on the other hand, the advantages of speed will not be great enough to offset the extra cost.

The potential for high-speed in marine craft lies in short sea routes, "the major portion of which are ferries for passengers and cars and possibly commuters."

The PAU was set up four years ago, as a joint exercise by the (then) Ministry of Technology and the U.K. Atomic Energy Authority. Its report summarises a total of 43 analyses the Unit has made.

There are no easy answers, the report warns, to such questions as "What is the value of overseas trade to the nation?" or "What discount rate should be applied to evaluate programmes producing benefits or avoiding threats far in the future?" Nor is the simple addition of monetary and non-monetary costs and benefits as justifiable as some users of cost-benefit analysis assume.

Only by questioning and exploring the implications of such criteria, it argues, can more rational bases for planning be explored. The PAU has collaborated closely with industry since its inception. But, as its director Mr. R. L. R. Nicholson observes, information is obtained in strict confidence, so that it has been impossible to produce open versions of the great majority of its reports.

## A. E. GRIFFITHS (SMETHWICK) LIMITED

Manufacturers of tanks and vessels for corrosive liquids processing ovens, dust and vapour extracting plant, etc.

Salient points by Mr. J. S. Moss, Chairman and Managing Director, for the year ended March 31, 1971:—

- Group trading profit is £70,734 (1970—£92,673).
- Net profit is £26,414 (1970—£30,556).
- A Final Dividend of 20% will make a total distribution of 27%.
- Surplus of Current Assets over Current Liabilities—£140,338—is higher than at any time since 1965.
- The year has been one of exceptional difficulty. There was a substantial increase in the Group turnover for which the reward has been particularly disappointing.
- Forward prospects must take into account state of Country's economy and the effects of the recent measures introduced by the Budget. Easing of financial restrictions may encourage manufacturers to look at schemes put aside during period of restraint.
- Long-term prospects are more promising if inflation can be contained and reasonable stability achieved. Your Company will continue to seek every opportunity to expand, produce satisfactory results, and pave the way to increased profitability.

Copies of the Report and Accounts are available from the Secretary, Booth Street, Smethwick, Worley, Worcs.

## BANBURY GROUP

MANUFACTURERS OF BANBURY CONCRETE BARBERS, INDUSTRIAL BUILDINGS, GARDEN LEISURE HOUSES, HOME EXTENSIONS, PORCHES, GREENHOUSES, CARPORTS, TIMBER AND CONCRETE FENCING, INDUSTRIAL FLOORING, SQUASH COURTS, GRANDSTANDS, STADIUM SEATING AND GENERAL CONCRETE PRODUCTS FOR THE BUILDING INDUSTRY.

## Record profits for 20th successive year... Confident of further expansion

Highlights from the annual statement of Mr. Derrick H. Robins, Chairman of Banbury Buildings Holdings Limited.

- \* Group profits for year ended 31st March, 1971 £630,494 compared with £604,266 last year. Profits a record for twentieth successive year.
- \* Dividend 37½% against 35% and bonus issue of 1-for-5 recommended.
- \* We look forward confidently to further expansion and anticipate maintaining the dividend on the increased capital.

Addressing the Annual Meeting, the Chairman said:

"From my statement which accompanied the accounts it could be implied that one would expect a 20% increase in the profit. I am very pleased to tell you that the trend of profit revealed by our Management Accounts for 5 months to August and which will be revealed in my Interim statement covering the first half-year will fully justify this implication."

## Thomas Marshall Investments Limited

### Highlights of 1970/71

- \* Pre-Tax Profit £621,182 for 15 months against £335,213 for 12 months
- \* Sales £9,591,421 against £5,985,737 for earlier period
- \* Prospects—Dividends totalling 30% forecast for current year

The 1971 Report can be obtained from The Secretary at 18-20 Irwell Street, Manchester, M3 5FW.

# ASSOCIATED TELEVISION CORPORATION

## "Another highly satisfactory year . . ."



Lord Renwick of Coombe, K.B.E.

The Sixteenth Annual General Meeting of Associated Television Corporation Limited was held in London on 23rd September, 1971. The following are extracts from the Statement by the Chairman, Lord Renwick of Coombe, KBE, for the year ended 28th March 1971:

This has been another highly satisfactory year; and one that holds great promise for the future.

For the third time in its history, your Corporation has been honoured by the Queen's Award for Export Achievement.

I will now refer to the improved position in which your subsidiary Company, ATV Network Ltd., finds itself. During eleven of the twelve months under review the whole television industry was still labouring under the load of the high-rate Television Advertising Levy. In that single year ATV Network had, apart altogether from normal Corporation Tax, to pay a Levy of no less than £3,865,000. It was to this level of forfeiture that I was referring in my last Statement when I said that if the rate of Levy were not reduced, Independent Television would no longer be commercially viable.

I therefore wish publicly to express my thanks to Lord Aylestone and the Authority for all that they did in presenting the facts of the case to the Government. It is not too much to say that the resultant action of the Minister in amending the scale on which the Levy is extracted from the advertising revenue of the Companies prevented inevit-



1967 1969 1971

able financial collapse within certain sections of the industry.

Bearing in mind the current buoyancy in advertising revenue and the reduced rate at which the Levy is now operative, it is possible to view the future of the Network Company with a degree of confidence that would have been quite unthinkable a year ago.

### Broadcasting Hours

It is a source of further encouragement that the awaited permission for further broadcasting hours cannot now be long delayed. ATV Network is already fully equipped to provide the programmes. All that is needed is the Minister's approval.

Also, at the moment, only the BBC offers a dual service. There is no reason whatsoever why this should be so. It is wholly within the competence of the industry as it is at present constituted to provide ITV 2, and your Directors will continue to press for this highly desirable extension of the national broadcasting service.

### Film Production

The current schedule of production is the strongest in the Company's history and overseas sales—notably to the American networks and to Australia—have reached a level never previously achieved.

### ATV Centre

The ATV Centre in Birmingham, of which the Network studios occupy a third of the total site area, is in itself a major piece of civic development. It represents an investment in excess of £12 million. Building operations have throughout been most commendably on schedule, and the whole complex of office block, hotel, exhibition hall, restaurant and shops will be revenue earning by 1973.

### Stoll Theatres

ATV is proud of its position in the theatrical world. Stoll Theatres under the chairmanship of Mr. Prince Littler has enjoyed a most excellent year. In total, half-a-million more tickets were sold at the box office than in the previous year and the profit figure improved by £96,000.

### Music

ATV is equally proud of the position which it occupies in the world of music and music-publishing. The new management of your wholly-owned subsidiary company, Northern Songs, is certainly to be congratulated on its success. Moreover, the jointly-owned Company, ATV-Kirshner, has now established a world-wide organisation that is trading profitably in 14 countries.

Similarly, Pye Records which has steadily earned an increasing share of the disc market shows continuing improved results. The profit figure for music and records of over £1,800,000 is substantially higher than earlier it had been felt safe to estimate.

### Audio and Video Cassettes

Looking to the future when the use of audio cassettes will become wide-spread both in the home and in the car, your Board felt it wise to acquire the whole share capital of Precision Tapes Ltd., previously owned only 50 per cent by the Group. Already the sales of cassettes produced by this Company are mounting most encouragingly. Again, in order to keep level with technical innovation your Corporation has entered the rapidly expanding market for video cassettes—the device which enables programmes of the viewers' own choice to be shown on the home television screen. The potential here is enormous and, to exploit to the full the global opportunities which the video cassette offers, ATV has entered into 50-50 partnership with one of the three great American networks, the American Broadcasting Company. The entire programme resources of entertainment, information and education of both organisations have been pooled. It is an acknowledgment of the unique standing of this new Anglo-American enterprise that the National Theatre Company in London

should have granted it the exclusive video cassette rights of the National Theatre productions.

### Independent Radio

Finally, for the future development of the Corporation, ATV has announced that it will seek to be active in Commercial Broadcasting as soon as legislation permits. ATV will both apply for a licence in its own right and in conjunction with newspapers, and will be ready and equipped to supply full programme services to other operators.

### Summary

The Group, now widely diversified within the whole field of entertainment as well as in property, is both more securely based and more capable of further development than ever before in its history.

It is here that I must pay tribute to the one man who more than any other has made it so. When, for the third time, the Corporation was honoured with the Queen's Award for Export Achievement, it was once more recognition of the fact that Sir Lew Grade is the master-salesman of the entire television industry. But it was more than that. It was also a recognition of the fact that Sir Lew is television's supreme impresario. Indeed, his singleness of purpose, his energy and his far-sightedness are displayed in every aspect of the Corporation's activities.

### Management and Staff

I will close by saying on behalf of the Board how grateful I am to members of Management and Staff at all levels in Birmingham, Elstree and London, as well as to our Corporation colleagues abroad in New York, Toronto, Sydney, Paris and Lausanne.

COMPARATIVE FIGURES	1970	1971
Total Group Turnover	£900	£900
Net Television	36,713	37,631
Advertising Revenue	13,819	14,255
Less: Levy	4,534	6,865
Group profit before tax	5,301	4,514
Dividend cost	2,709	2,709
Profit after tax and outside shareholders' interests	2,880	4,219
Earnings per "A"		
Ordinary 25p stock unit	10.37p	11.54p
Total shareholders' funds	26,350	27,934

FT POLL ON COMMON MARKET ENTRY

# Public attitude appears to have stabilised

THE British public's attitude towards entry to the Common Market appears to have stabilised. This is shown by the third of the special surveys conducted for the Financial Times by British Market Research Bureau.

Whether this stability is due to the fact that some fundamental attitude plateau has now been reached, or whether it is simply that there has been a communications lull during the holiday period, is not yet clear. According to the latest survey, conducted September 2-9, there has been only a slight movement in favour of the Market compared with the large attitude shifts of the early summer: 86 per cent. now believe that Britain will join compared with 85 per cent. at the beginning of August, and 36 per cent. say that they are personally in favour of Britain joining (34 per cent. in August).

The proportion of people believing that British entry is contrary to the national interest has dropped from 39 per cent. to 37 per cent.

These changes are closely correlated with the shift of political support to the Conservatives. In August 30 per cent. of the sample said that they had voted Conservative in the last election and 37 per cent. Labour.

The September figures are 32 per cent. Tory to 33 per cent. Labour. (While the question refers literally to past behaviour, there is evidence to suggest that people tend to answer in terms of their current political attitudes.)

## Jobless fears

While attitudes among Conservative supporters have altered slightly in favour of entry, Labour supporters tend now to be more opposed. But the shift to Conservative from Labour has resulted in a slight shift in favour of entry.

Changes in people's views about the effects of entry do not show a consistently increased level of optimism.

While more people believe that the economy will grow faster compared with the previous survey, it is also the case that more people think that the price of manufactured goods imported from the Common Market will be higher.

The results are based on interviews with a random sample of 1,052 adults picked up on BMRB's continuous "Access" survey. The sample is representative of the adult population by age, sex, region and social class.

## Referendum in Beckenham

Mr. Philip Goodhart (Tory MP for Beckenham) states that with one week of polling left in the EEC referendum which he is carrying on in his constituency, a preliminary count shows that the anti-marketisers hold a slender lead. There have been 1,767 votes against going in and 1,627 votes in favour, he said.

## NEW CHEAPSIDE OFFICES FOR BANK OF BOSTON

The First National Bank of Boston has moved its city premises from 4, Moorgate to 5, Cheapside.

The bank has leased a new air-conditioned eight-storey octagonal building with 38,000 square feet of office space. Developers were National Mutual Life Association of Australasia.

It will occupy the first three floors and sub-let the rest.

# Lex

Through their four trading divisions, Lex offer a nationwide sales and service network that is second to none.

To give your fleet the Lex tonic, ring any of the following telephone numbers:

Telephone	Company/ Franchises
0482-982293	(1/Containers)
0274-681334	(1/A)
0272-664661	(4/C)
0272-663078	(4/D)
0272-667141	(4/C)
0272-674817	(3/BS)
0282-25520	(1/AB)
0222-784141	(2/B)
0222-784141	(2/B)
0362-66336	(1/AC)
0392-77283	(3/EGS)
0452-25785	(4/C)
0452-26163	(2/BS)
038-482-2431	(2/BS)
0482-20344	(1/AB)
061-872 1081	(1/A)
0762-51331	(1/AB)
0632-665411	(1/A)
0733-68591	(5/ED)
042-16-4761	(3/BS)
0793-24671	(2/B)
0823-81275	(4/C)

Lex Companies:	Franchises
(1) LEX TILLOTSON	A-AEC
(2) LEX COMMERCIALS	B-British Leyland
(3) STEELS COMMERCIALS	C-Chrysler International
(4) COVENTRY & JEFFS	D-Atkinson/Seddon
(5) SELLERS & BATTY	E-E.R.F.
	G-GUY
	S-Scammell

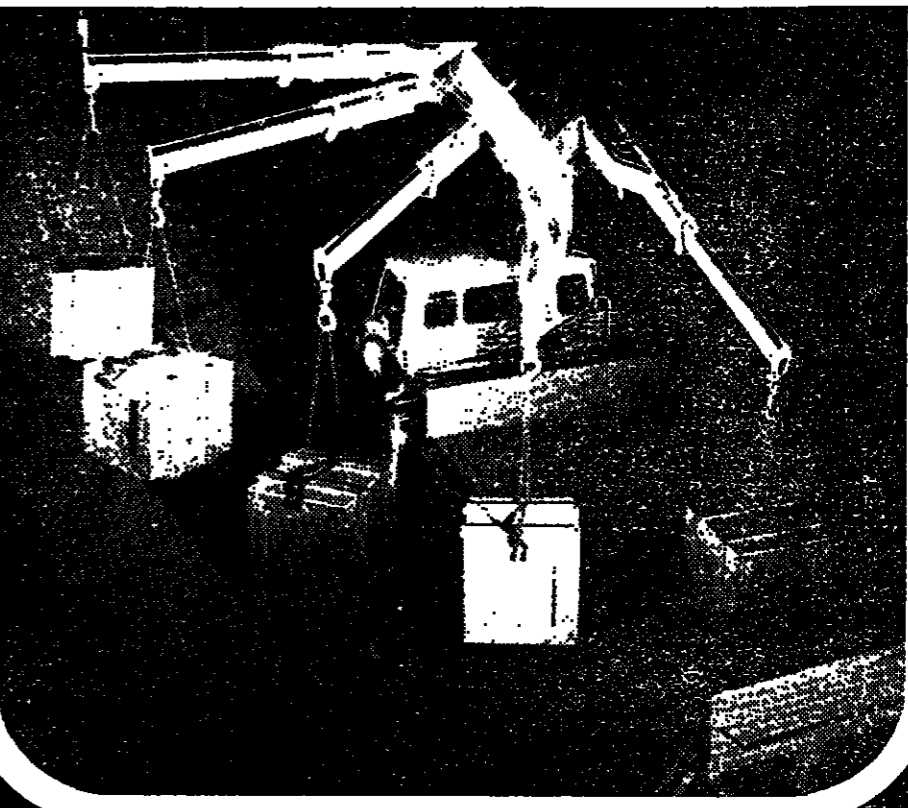
For Fleet enquiries telephone Jack Jackson or Cliff Naden 0272-30351. Richard Ide 042-16-2206 John Parslow 061-962-4521 Bart Burkett 0272-664661.

# HIAB Speed-Loaders make goods handling as easy as power steering!

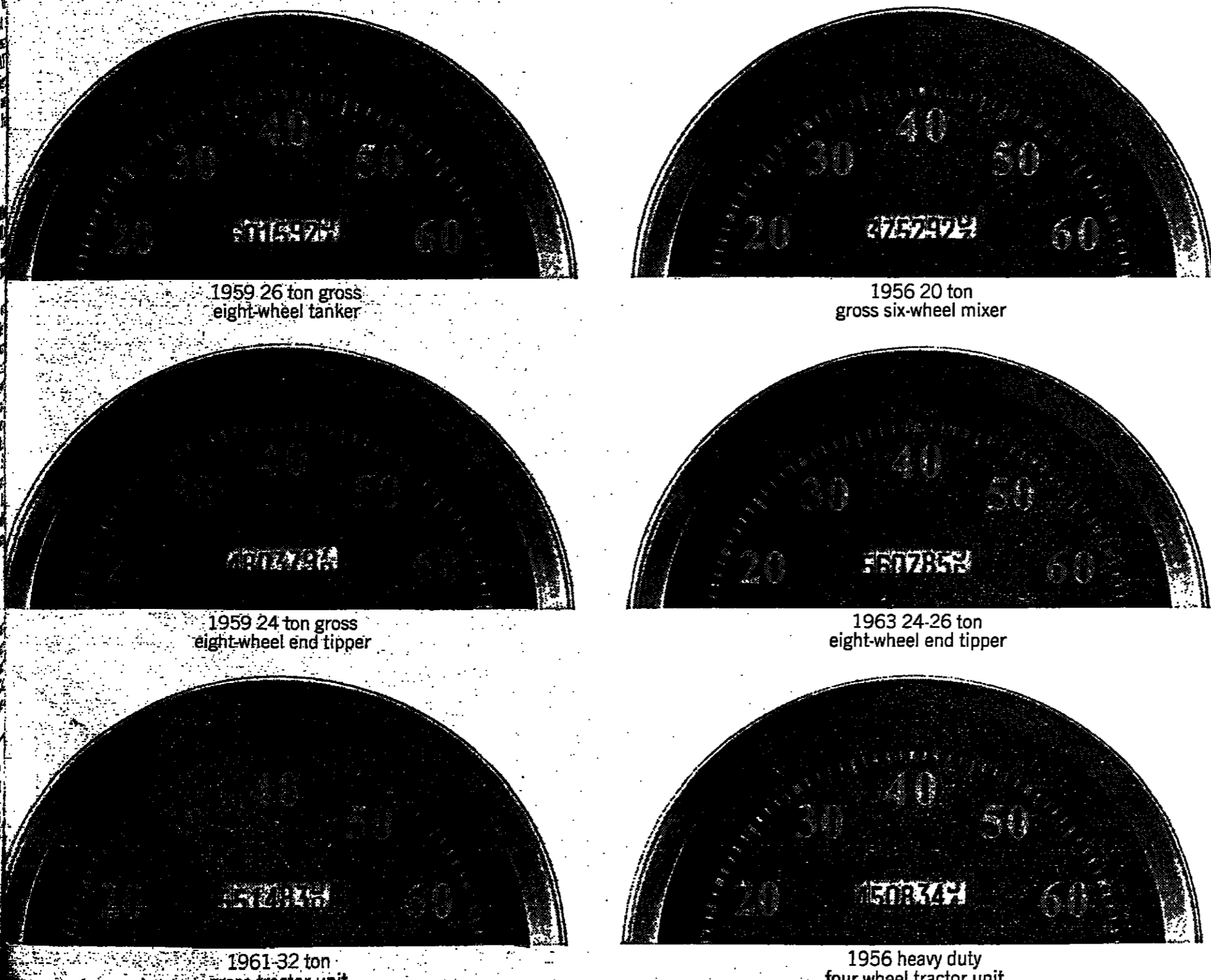
Power assisted equipment on commercial vehicles is commonplace - except for loading and unloading. All too often a very costly vehicle spends a substantial part of its life standing idle, waiting for a crane, a fork lift truck or a team of labourers to handle its payload. Wasted time which piles up overheads and cuts deeply into profits.

With its hydraulic muscle-power a HIAB can end all this. A HIAB becomes part of the vehicle - ensuring a quick turn-round with a dramatic increase in vehicle utilisation.

George Cohen Machinery Limited  
Mechanical Handling Division, 600 Wood Lane, London, W.12  
Telephone 01-743 2070



# A few figures to take into account when you're buying trucks.



When you're comparing one make of truck with another a few figures can be worth more than a thousand descriptive words.

So we thought you'd be interested in these mileage figures.

They were all recorded by Fodens in the course of normal working lives, with little more than routine maintenance.

What makes Fodens last so long is the way we make them.

We don't just buy a lot of components from someone else and bolt them together.

We believe that if you want a thing doing properly you must do it yourself.

So we make nearly all our own components and then assemble them very carefully.

This enables us to make sure all the parts work together harmoniously.

And that's why although you may pay a little more for a Foden your money will go a lot further.

Fodens Limited, Elworth Works, Sandbach. Telephone: 093 67 3244  
London Office: 10 Hanover Street, W.1. Telephone: 01-499 5932



**Foden**  
forever

All of these Securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

\$150,000,000

# Consolidated Edison Company of New York, Inc.

First and Refunding Mortgage Bonds  
7.90% Series JJ, Due September 1, 2001

Merrill Lynch, Pierce, Fenner & Smith  
Incorporated

The First Boston Corporation

Kidder, Peabody & Co.  
Incorporated

Blyth & Co., Inc. Drexel Firestone duPont Glore Forgan Eastman Dillon, Union Securities & Co.  
Goldman, Sachs & Co. Halsey, Stuart & Co. Inc. Hornblower & Weeks-Hemphill, Noyes  
Lazard Frères & Co. Lehman Brothers Loeb, Rhoades & Co. Paine, Webber, Jackson & Curtis  
Salomon Brothers Smith, Barney & Co. Stone & Webster Securities Corporation  
Wertheim & Co. White, Weld & Co. Dean Witter & Co. Bache & Co. Shearson, Hammill & Co.  
American UBS Corporation Bear, Stearns & Co. A. G. Becker & Co.  
CBWL-Hayden, Stone Inc. Clark, Dodge & Co. Dominick & Dominick  
Equitable Securities, Morton & Co. EuroPartners Securities Corporation Robert Fleming  
Hallgarten & Co. E. F. Hutton & Company Inc. W. E. Hutton & Co.  
Ladenburg, Thalmann & Co. F. S. Moseley & Co. Paribas Corporation  
R. W. Pressprich & Co. Roosevelt & Son L. F. Rothschild & Co.  
Shields & Company F. S. Smithers & Co., Inc. Swiss American Corporation  
G. H. Walker & Co. Walston & Co., Inc. Wood, Struthers & Winthrop Inc.

## 10 builders expelled by NHBRC for poor work

By Michael Cassell

TEN BUILDING companies have been expelled from membership of the National House Builders Registration Council in a major drive against bad workmanship.

One consequence is that building societies will not lend on new properties which do not have an NHBRC certificate. Non-members, therefore, have to act either as sub-contractors to other house builders or confine their activities to rebuilding and repair work.

Apart from the expulsions—more than ever previously announced on one occasion—the Council has told six other companies that they face the same action unless remedial work is done on specific housing projects. An additional 14 companies have been warned that a "close watch" is being kept on the standard of their work.

In April, the Council expelled three other companies for below-standard work and several others were warned about faulty building.

Mr. Stanley Morton, chairman of the NHBRC, commented on the latest moves: "All these companies have been unfair to their customers and damaged the reputation of the industry. I gave a warning in March that we were tightening up and our registration committee have now shown that we mean what we say."

The ten companies struck off the register, all for faulty building and failure to remedy defects within a reasonable time, will not be named by the Council until the appeal period of one month has elapsed.

The Council does, however, outline the details of cases which have now led to expulsion. Two Essex builders were struck off for negligently leaving external steps falling away from terraced houses and both are to be sued by the Council for the cost of correcting the faulty work.

A Shropshire builder has been expelled for refusing to repair gas central heating back boilers which had been incorrectly installed, and other companies have been found guilty of poor roofing, flooring and finishing work.

Among the companies warned of possible expulsion is a Welsh one given seven days to start and one month to complete finishing repairs on five houses, and a Cornish building company which has been ordered to relay a number of roofs.

Other disciplinary measures include a 50 per cent. surcharge on inspection fees for two companies until general workmanship reaches the desired standards.

## £21,000 loan plea to save Romney line

AT LEAST another £21,000 is needed by a consortium to take over the world's smallest public railway—the 14-mile Romney, Hythe and Dymchurch line in Kent.

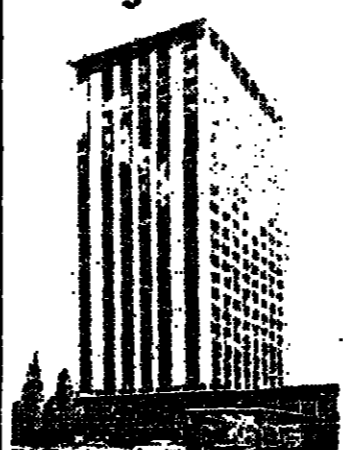
A public meeting at Hythe was held on Saturday when an appeal was made to 200 railway enthusiasts to help raise the money through interest-free loans.

The enthusiasts have so far raised £84,000 towards buying the narrow gauge railway. A total of £105,000 must be raised if their bid is to be successful.

Mr. David Lye, chairman of the railway company, which is selling the line, said if present shareholders retained ownership they could expect to sustain substantial losses. He calculated losses of the railway—which carries 300,000 holiday passengers a year—at £200,000.

Mr. Brian Hollingsworth, a member of the 16-man consortium, set up to save the line, said others could join, but must be prepared to contribute four-figure sums. They could not expect loans ever to be repaid or to receive any dividends.

## Above all reasons to stay in Amsterdam is a new one. Opening August 1971.



Planned not just as the tallest building in Amsterdam but the most complete hotel in Europe. Offering the best of 3 worlds. European elegance, Dutch hospitality and Japanese artistry. Standing 23 stories tall, with 410 rooms and suites. Where everything measures up. Expert secretarial and office services, shopping and shipping services, plus luxurious accommodations, meeting rooms, restaurants, bars and a 24-hour arcade with billiard tables. All 20 minutes from Schiphol International Airport.

**Hotel Chura Amsterdam**  
Amsterdam 1008, The Netherlands  
Tel: (020) 787111, 720207 • Telex: 16182  
Cable: HOTELCHURA AMSTERDAM  
For information, color brochure, individual and group rates, write: C.I.G.A., 67 Jernyn Street, London, England. Tel: 01-290-4147.

All of these securities having been sold, this announcement appears as a matter of record only.



655,000 Shares

## BIC Pen Corporation

Common Shares  
(\$1.00 Par Value)

White, Weld & Co.

SoGen International Corporation

Blyth & Co., Inc.

The First Boston Corporation

Eastman Dillon, Union Securities & Co.

Goldman, Sachs & Co.

Hornblower & Weeks-Hemphill, Noyes

Kidder, Peabody & Co.

Smith, Barney & Co.

Stone & Webster Securities Corporation

Wertheim & Co.

Dean Witter & Co.

Wood, Struthers & Winthrop Inc.

Amsterdam-Rotterdam Bank N.V. Banque Francaise de Depots et de Titres

Banque Nationale de Paris

EuroPartners Securities Corporation

Paribas Corporation Société Générale Société Générale de Banque S.A.

Swiss American Corporation

S. G. Warburg & Co.

Nomura Securities International Inc.

September 16, 1971

## INTERIM STATEMENTS

Interim Report  
for the half year  
ended 3 July 1971

carpets  
international

## Improved Profitability

	1971 First half year	1970 First half year	Full year
Turnover	£20,992	£18,759	£40,618
Consolidated profit before taxation	987	485	1,628
Taxation	395	224	509
Exceptional items	592	261	1,119
Consolidated profit after taxation	592	520	1,500
Dividends—Gross			
Interim 6%	509	509	
Full year 13%			1,103

The results of the two half years are unaudited.

**Interim Dividend**  
The Directors have declared an interim dividend of 6% (1970—6%) less tax, payable on December 6, 1971 to the shareholders on the register as at close of business on November 5, 1971.  
Trading conditions began to improve at the end of March and gathered momentum during the second quarter. Turnover at just on £21 million is 12% the equivalent period of the previous year.  
Consolidated profit before tax for the six months, the major part of which was earned in the second quarter, shows a marked increase over the same period last year.  
Profitability in the first quarter continued to be affected by range rationalisation and reorganisation but, despite higher costs and no adjustment to selling prices of standard qualities, margins improved progressively each month to the end of the Half Year.  
While completion of reorganisation plans still requires time, action taken since the merger is now showing results. The outlook at Kosset and Gilt Edge is more promising.  
The autumn market has opened earlier than usual and is encouraging. Present indications are that demand for the rest of the year will be heavy with the better qualities continuing to sell more freely.  
Group profits for the full year will reflect the better margins attained in the second quarter which are expected to continue.

W. P. W. Anderson  
Chairman

22nd September, 1971

Carpets International Limited, Kidderminster, Worcestershire

## DYERS' UNION AMONG FIRST TO DE-REGISTER

The National Union of Dyers, Bleachers and Textile Workers yesterday became one of the first unions to write to the Registrar of Trade Unions to de-register under the provisions of the Industrial Relations Act.  
Mr. Jack Peel, the general secretary, who is a member of the TUC General Council, said: "Our arguments with other unions about the Act have not been about our own position—that has never been the question. We have doubted, and still doubt, the wisdom of the TUC taking a hard line with affiliates on de-registration, due to the risk of openly dividing unions. However, the die is now cast and we are trying to give a lead in line with TUC policy."

## BARNES WALLIS CALIPERS PLAN

Sir Barnes Wallis is to direct a three-year research project on calipers, walking spinto and ambulant support systems, applying industrial and scientific technology to the use of light-weight materials.  
The project is being undertaken by the Bath Institute of Medical Engineering, the charitable research body of which Sir Barnes Wallis is president. First practical results are likely within 12 months.

## MOTOR RACING AT DONINGTON PARK

Motor racing is to be staged at Donington Park for the first time since 1930. The circuit, at Castle Donington, near Derby, is to be used as a special stage in the RAC international rally in November.

## Stanwood Radio LIMITED

Interim Dividend

At a Board Meeting held on Monday, 20th September, 1971 the Directors declared an interim dividend of 2½% less income tax (1970 nil), payable on the 20th November, 1971, in respect of the year ending 31st December, 1971.

**Interim Results**  
The unaudited results of the Company for the half-year ended 30th June, 1971, with the relative comparisons, are as follows:

	Six Months to 30th June 1971	Year to 31st December 1970	Year to 31st December 1969
Turnover	£1,813,000	£1,653,000	£3,530,000
Trading Profit	£456,297	£238,736	£677,828
Deduct:			
Depreciation	295,966	206,103	470,126
Short-term finance charges	103,840	66,955	145,889
	£256,489	£273,058	£616,015
Net Profit, before Taxation	£256,489	£273,058	£616,015

Due to capital allowances, the Company is relieved of Corporation Tax on profit for the period.

The substantial increase in depreciation and finance charges reflects the continued heavy investment in television rental business. Rental income for the half-year amounted to £840,000 compared with £430,000 for the corresponding period last year, and should exceed £1,400,000 for the current year against £995,000 last year.

**Current Trading**  
Since the removal in July of the statutory control of terms on Hire Purchase and Rental contracts, new business has had at a considerably higher level than last year. The Directors are confident that the steady improvement in both turnover and profitability will continue throughout the second half-year and that the results for the year as a whole will show a further advance on last year.

All of these securities having been sold, this advertisement appears as a matter of record only.

NOT A NEW ISSUE



650,000

## Scholl, Inc.

Common Shares  
(\$1 par value)

Goldman, Sachs & Co.

Blyth & Co., Inc. The First Boston Corporation Eastman Dillon, Union Securities & Co.  
Hornblower & Weeks-Hemphill, Noyes Kidder, Peabody & Co. Lazard Frères & Co.  
Lehman Brothers Loeb, Rhoades & Co. Paine, Webber, Jackson & Curtis  
Salomon Brothers Smith, Barney & Co. Wertheim & Co. White, Weld & Co.  
American UBS Corporation Bache & Co. Basle Securities Corporation Kleinwort, Benson  
Paribas Corporation Reynolds Securities Inc. Swiss American Corporation

Deutsche Girozentrale  
—Deutsche Kommunalbank—

Schroder, Munchmeyer, Hengst & Co.

Fielding, Newson-Smith & Co.

September, 1971

## INTERIM STATEMENTS

## W. A. HILLS & SONS LTD

The Directors of W. A. Hills & Sons Ltd. announce an Interim Dividend of 15% (1970 15%) in respect of the year ending 30th September, 1971.

The unaudited results are as follows:—

	1971	1970
Turnover	£1,438,000	£1,033,000
Pre-Tax Profits	£64,000	£57,000
Net	£42,000	£33,000

The first half of the year is never a true guide for the full year and with the second half of the year nearly gone, the Directors are able to estimate that they expect the profits for the full year to 30th September, 1971 to be at least equal to those of the previous year (£192,000) and probably slightly in excess. In that event it is expected that the final dividend would be 15% making a total for the year of 30% as before.

## NEEDLE INDUSTRIES GROUP LIMITED

Interim Report to Shareholders

The estimated unaudited trading results for the Group for the six months ended 30th June 1971, are given below, together with comparative figures for the first six months of 1970 and the audited results for that year:—

	6 months to 30th June 1971	6 months to 30th June 1970	Year 1970
Turnover	1,878,000	1,761,000	3,263,000
Trading profit before taxation	108,000	90,000	185,000
Taxation	49,000	45,000	72,000
Profit after taxation	60,000	45,000	123,000

\* The charge of £45,000 for taxation in respect of the six months to 30th June 1971, was substantially reduced as a result of changes in the rate of corporation tax and capital allowances.

The Directors have today declared an interim dividend of 3% (less tax) in respect of 1971, to be paid on 1st December 1971. This is the same rate of interim dividend as for 1970, that is payable on the capital as increased by the recent 1 for 5 scrip issue.

Studley, Warwickshire. 23rd September, 1971.  
L. Hargreaves Beare, Chairman.

مكتبة النجف

ation

ional Corporation

The City of Birmingham Corporation  
The City of Birmingham Corporation  
The City of Birmingham Corporation

## CITY OF BIRMINGHAM

Issue of  
**£10,000,000 Birmingham Corporation**  
**8 per cent. Redeemable Stock 1979-1981**

### PRICE OF ISSUE £100 PER CENT.

On Application	£100 per cent.
On 23rd September 1971	£100 per cent.
On 24th September 1971	£100 per cent.
On 25th September 1971	£100 per cent.

INTEREST ON INCOME TAX WILL BE PAYABLE HALF-YEARLY ON 1st APRIL AND 1st OCTOBER. A FIRST INTEREST PAYMENT OF £250,000 (LESS INCOME TAX) PER £100 STOCK WILL BE MADE ON 1st APRIL 1972.

By Resolution of the Council of the City of Birmingham—Lloyds Bank Limited is authorised to receive applications for the subscription of stock at the issue price of £100 per cent. on the following terms:—

1. SECURITY.—The stock and interest thereon will be secured upon all the rates and revenues of the City of Birmingham Corporation and upon the Corporation's assets and property in and out of the City of Birmingham.

2. PAYMENT OF STOCK.—The stock will be issued in the form of bearer stock in the name of the City of Birmingham Corporation and will be payable to the bearer or to the order of the bearer.

3. PAYMENT OF INTEREST.—Interest on the stock will be payable half-yearly on 1st April and 1st October in arrears. The interest will be payable in cash or by cheque or by transfer to the account of the holder.

4. TRANSFER.—The stock may be transferred by the holder to any person or persons by a simple assignment in writing signed by the holder and the transferee.

5. REGISTRATION.—The stock will be registered in the name of the holder in the register of the City of Birmingham Corporation.

6. INTEREST.—Interest on the stock will be payable half-yearly on 1st April and 1st October in arrears. The interest will be payable in cash or by cheque or by transfer to the account of the holder.

7. APPLICATIONS.—Applications for the subscription of stock should be made to the City of Birmingham Corporation or to the Lloyds Bank Limited.

8. GENERAL.—The City of Birmingham Corporation reserves the right to cancel or vary the terms of the issue of stock at any time.

9. STATISTICS.—Statistics relating to the City of Birmingham Corporation are available from the City of Birmingham Corporation or from the Lloyds Bank Limited.

10. TOTAL CITY DEBT.—The total city debt of the City of Birmingham Corporation as at 31st March 1971 was £10,000,000.

11. PROSPECTUS.—A prospectus for the issue of stock is available from the City of Birmingham Corporation or from the Lloyds Bank Limited.

12. LLOYDS BANK LIMITED.—Lloyds Bank Limited is authorised to receive applications for the subscription of stock at the issue price of £100 per cent. on the following terms:—

13. LLOYDS BANK LIMITED.—Lloyds Bank Limited is authorised to receive applications for the subscription of stock at the issue price of £100 per cent. on the following terms:—

14. LLOYDS BANK LIMITED.—Lloyds Bank Limited is authorised to receive applications for the subscription of stock at the issue price of £100 per cent. on the following terms:—

15. LLOYDS BANK LIMITED.—Lloyds Bank Limited is authorised to receive applications for the subscription of stock at the issue price of £100 per cent. on the following terms:—

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17. LLOYDS BANK LIMITED.—Lloyds Bank Limited is authorised to receive applications for the subscription of stock at the issue price of £100 per cent. on the following terms:—

18. LLOYDS BANK LIMITED.—Lloyds Bank Limited is authorised to receive applications for the subscription of stock at the issue price of £100 per cent. on the following terms:—

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## INTERIM STATEMENTS



### BOWYERS (WILTSHIRE) LIMITED

The Directors of Bowyers (Wiltshire) Limited have declared an Interim Dividend of 5% (1970-5%) less Income Tax on the Ordinary Shares of the Company, payable on 22 October 1971 to Shareholders registered at close of business on Friday 24 September 1971.

Unaudited trading results show:—

	28 weeks to 17 July 1971	28 weeks to 17 July 1970
TURNOVER		
Invoiced value of sales	11,818,192	10,750,911
French associate—50% share	420,552	334,400
	12,238,744	11,085,311
TRADING PROFIT	715,425	550,835
Finance charges	65,619	75,084
French associate—50% share	649,806	475,751
	50,608	47,233
PROFIT BEFORE TAXATION	700,414	522,984
Taxation	287,366	222,117
PROFIT AFTER TAXATION	413,048	300,867
INTERIM ORDINARY DIVIDEND (GROSS)	£101,475	£100,475

Note: Trading profit is stated after charging depreciation of £195,505 (1970-£200,748).

### CHAIRMAN'S STATEMENT

As anticipated, pig supplies were adequate and reasonably priced, whilst beef continued scarce and expensive. During the last few months sales have displayed an improving trend. The rationalisation of Brazil van sales fleet continued apace, and the transfer of production to their other two factories following the closure of Winchester on May 31 proved to be a demanding task.

Whilst we have succeeded in maintaining satisfactory progress during a difficult and inflationary period, if we are to maintain our momentum in the months ahead, it is vital to hold down our costs. This is particularly important against the background of the commitment to the Confederation of British Industry by a majority of leading companies, including many in the food sector, to limit any rise in prices to 5%.

With labour costs about to rise and meat prices expected to harden it is difficult as usual to forecast with any accuracy the year's results. Barring unforeseen circumstances however I am confident that shareholders will not be disappointed at the outcome of our full year's results.

Signed H. M. NEWTON-CLARE (CHAIRMAN)

16 September 1971

## THARSIS

### THE THARSIS SULPHUR & COPPER CO. LTD.

Six months ended 30th June, 1971.

	6 months to 30.6.71 (unaudited)	6 months to 30.6.70 (unaudited)	Year 1970
Turnover	1,774,000	2,979,000	5,058,225
Profit (Loss) before Taxation	(47,000)	746,000	943,382
Estimated Taxation	2,000	162,000	130,572
Profit (Loss) after Taxation	(49,000)	584,000	812,790
Pyrites Sales Tonnage	Tons 468,000	Tons 615,000	Tons 1,091,093
Dividend	5%	5%	7 1/2%
Cost of Dividend	—	£125,000	£187,500

The severe fall in turnover for the six months to June, 1971, compared with the same period of the previous year, is due to reduced tonnage of sales together with lower prices for pyrites. So far as tonnage is concerned, deliveries for the first half of 1971 were at the same rate as for the second half of 1970 when there was also a sharp fall in profits. Prices for the first half of this year however were substantially lower than for 1970. These lower prices were referred to in my Review of April, 1971, when I drew attention to the very serious effect of the sharp decline of sulphur and copper prices on the price of pyrites. Sulphur and copper prices are in fact lower than at any time over the past seven years while wages and all other costs of production have increased very substantially in that period. An improvement in trading conditions before the end of the year is not expected but there are indications that sales prices for 1972 will recover.

As a result of this period of poor trading together with the need to complete our capital expenditure programme, substantial short term bank facilities have been arranged. The Board has decided that no interim dividend be paid for 1971.

GLENCONNER, Chairman.

Registered Office: 136 West George Street, Glasgow, C.2. 22nd September, 1971.

## Hall Engineering (Holdings) Limited

### Interim Dividend on Ordinary Shares

The unaudited results of the group for the six months ended 30th June, 1971 are as follows:—

	6 months to 30th June, 1971	6 months to 30th June, 1970
Group Turnover	£11,442	£12,036
Group Profit before Taxation (all attributable to members of the parent company)	850	850
Taxation (estimated)	350	370
Half-year Preference Dividend	46	46
Profit available for Ordinary Shareholders	454	434
Interim dividend of 9% (1970-8%) on Ordinary Share Capital of £1,872,000	170	150

Included £150,000 of a non-recurring nature arising from steel price increases.

The directors have declared an interim dividend of 9% (1970-8%) on the Ordinary share capital in respect of the year ending 31st December 1971, payable on 22nd November, 1971 to shareholders on the register at the close of business on 1st October, 1971.

Group profits suffered a reduction in the contribution from the steel stockholding division but this was more than compensated by improved performance from the other divisions in the group and the directors hope to be able to report that the profits for the year as a whole will be not less than those for 1970.

**Gigantic bucket wheel excavator for opencut mining from the O&K programme**

**ORENSTEIN & KOPPEL**  
Aktiengesellschaft  
W.-Germany

The Annual General Meeting of ORENSTEIN & KOPPEL AG was held in Berlin on July 16, 1971, and the following are details of the report presented by the Board of Directors.

### Review

Economic boom conditions still prevailing during the first half of the year under review resulted in a vigorous increase of turnover by 34 per cent. from DM377m. to DM505m. (excluding Value-Added Tax). Output as a whole rose by 25 per cent. from DM423m. to DM529m.

The export ratio rose to 30 per cent. following a below-average performance of only 25 per cent. during the preceding year. In figures, exports accounted for DM150m. (1969: DM94m.) and thus appreciably contributed towards the above-average growth during the year under review.

The order book at the end of the year was up by 14 per cent. as a result of vigorous demand in almost all sectors. The export ratio amounted to 17 per cent. Investments in fixed assets totalling DM41.2m. were utilised to rationalise and strengthen the Company's production facilities.

The building machinery sector grew by 25 per cent. despite severe competition and with a share of turnover of DM300m. continues to be the Company's strongest sector. This above-average performance is the result of the Company's endeavours to offer a reliable after-sales service.

Rolling stock turnover remained on the level of the preceding year. Following further cost increases prices remained unsatisfactory. The slightly increased volume of incoming orders will safeguard employment until 1972 at the Company's Berlin and Dortmund works.

The Lübeck shipyard almost doubled its turnover. With seven freighters under construction capacities were well utilised and cost advantages achieved. The higher order book ensures employment in 1971 and 1972.

Escalators and diesel engines developed satis-

factorily, as did the new forklift truck sector in accordance with forecasts.

### Prospects

Business development during the first few months of the current year points to a further turnover increase in 1971, although at a lower rate than during 1970. The altered currency situation following the floating of exchange rates is having a further adverse effect on export trade still suffering from the last revaluation of the D-Mark in 1969. ORENSTEIN & KOPPEL as export-dependent manufacturers are particularly concerned about this development.

### Employees

The Company's labour force at the end of the year under review amounted to 8,429, an increase of about 300 in line with expansion of turnover. The rate of foreign labour was about 10 per cent.

### Profit and Dividend

Net profit for the year amounted to DM4,375,000. It was accordingly proposed to distribute a dividend of 14 per cent. on the share capital of DM31,250,000.

### Increase of Share Capital

It was further proposed in the following way to raise the Company's share capital by DM18,750,000 to DM50,000,000:—

- (a) by DM6,250,000—by converting statutory reserves into share capital on a 5:1 basis by issuing new bearer shares of DM1,000 and DM100 nominal, ranking for dividend in 1971 at a rate of 50 per cent.
  - (b) by DM12,500,000—by issuing new bearer shares of DM1,000 and DM100 nominal, ranking for dividend in 1971 at a rate of 50 per cent., at a price of DM240 per share of DM100. These latter will be offered to existing shareholders on a 5:2 basis.
- The report, the accounts and the proposals put forward by the Board were adopted.

	1970	1969	1968	1967	1966
Turnover	505.2	377.2	341.8	325.4	317.1
Export Ratio	30	25	24	24	21
Total Output	529.8	423.3	344.2	297.2	282.7
Wages and Salaries	128.8	118.2	110.8	105.5	102.4
Labour Force	8,429	8,128	7,997	8,474	7,398
Investments	41.2	40.2	12.6	8.9	13.4
Depreciation	26.5	17.4	12.0	10.2	10.9
Depreciation on Investments	36.5	43.3	95.2	114.6	14.3
Share Capital	31.25	31.25	31.25	31.25	31.25
Reserves	20.8	20.2	21.8	30.4	18.7
Annual Surplus	3.8	3.2	4.7	4.0	5.0
Dividend (distributed)	4.4	3.9	3.5	3.0	3.0
Dividend (rate)	14	12	11	10	10

\* Excluding VAT.

Orenstein & Koppel  
Aktiengesellschaft  
Head Office:  
Dortmund-Dorstfeld

Orenstein & Koppel Ltd.  
Head Office:  
King's Lynn, Norfolk

**VETCO**

400,000 Shares

**VETCO OFFSHORE INDUSTRIES, INC.**

Common Stock

Dean Witter & Co.  
Incorporated

Blyth & Co., Inc.  
Incorporated

Goldman, Sachs & Co.  
Incorporated

Smith, Barney & Co.  
Incorporated

A. B. N. Corporation  
Incorporated

Burnham and Company  
Incorporated

Harris, Upham & Co.  
Incorporated

W. E. Hutton & Co.  
Incorporated

L. F. Rothschild & Co.  
Incorporated

Shearson, Hammill & Co.  
Incorporated

Eastman Dillon, Union Securities & Co.  
Incorporated

Lehman Brothers  
Incorporated

Bache & Co.  
Incorporated

Basle Securities Corporation  
Incorporated

Clark, Dodge & Co.  
Incorporated

Robert Fleming  
Incorporated

E. F. Hutton & Company Inc.  
Incorporated

Paribas Corporation  
Incorporated

Pitfield, MacKay & Co., Inc.  
Incorporated

Reynolds Securities Inc.  
Incorporated

Walston & Co., Inc.  
Incorporated

Banque de Neufilze, Schlumberger, Mallet  
Incorporated

Cazenove & Co.  
Incorporated

Pierson, Helling & Pierson  
Incorporated

S. G. Warburg & Co.  
Limited

### FARNERS HOUSE IS PRE-LET TO LLOYDS BANK

FARNERS HOUSE, the Ronald Lyon's 75,000 square feet development at the Monument, has been pre-let to Lloyds Bank. The rent is believed to be very close to the asking figure of £800,000 per annum.

### NEW TOURIST CENTRE IN DOVER

An information centre is being opened to-day in Townwall Street, Dover, by the South-East England Tourist Board. Its staff of five, who speak French, German, Italian and Spanish, will have as manager, Mr. John Funnell, formerly Kent Area manager of the Automobile Association.

### Fishermen tell Heath about fears on limits

REPRESENTATIVES of East Coast fishermen met Mr. Heath at Scarborough over the weekend to tell him of their concern about Britain's entry into the EEC. The fishermen fear that if the 12-mile limit is abolished, or if foreign fishing fleets are allowed into British territorial waters, their livelihood will be ruined. Colonel Arthur Dunn, president of the North-east group of the Inshore Fishermen's Association, said Mr. Heath had been very sympathetic. Colonel Dunn told him the limit should be extended to 16 miles and kept exclusively for British fishermen.

### COWAN, de GROOT LIMITED

(Toys, Fancy and Electrical Goods)

Points from the Statement of the Chairman—Mr. E. A. de GROOT:—

**INCREASED GROWTH AND DIVIDEND**

- Group net profit for extended period to 30th April, 1971, subject to tax, at £397,306 represents a new record.
- Dividend increased to 35 per cent. (1970-32 per cent.).
- Sales in Toys and Fancy Goods Division increased during year and are currently running at a higher level than last year.
- The Electrical Division now contributes a substantial part of total Group profits. Almost all sections produced record results and current sales continue to increase.
- With the removal of hire purchase restrictions and easing of purchase tax the upswing in sales in all Divisions should continue. The next twelve months are expected to show a further significant increase in profits.

# ANGLO-ALPHA CEMENT LTD.

(Incorporated in the Republic of South Africa)

Review by Mr. E. J. Schmidheiny

The 37th annual meeting will be held in Johannesburg on 19th October 1971. The following review by the chairman, Mr. E. J. Schmidheiny has been circulated with the report and accounts for the year ended 30th June, 1971.

The Company is again able to report a year of expanded activity and increased profits.

Highlights of the year were increased Group turnover, increased pre-tax profits, increased dividends paid and the raising of the R9 million Euro-dollar and Swiss loans.

Difficulties experienced were the steeply rising pattern of costs, the shortage of skilled labour, the inadequate supply of rail trucks and tarpaulins and fluctuating despatch levels.

Profits and Dividends

Group trading revenue for the year was R9 775 000 compared with R7 917 000 for 1970 and profit before taxation at R5 819 000 was R450 000 higher than that of 1970. After allowing for taxation of R1 993 000 the net Group profit amounted to R3 826 000 compared with R3 197 000 in the previous year.

Increased interim and final dividends absorbed R1 864 000 (1970—R1 736 000). After allowing for the interest on outside shareholders and other appropriations, an amount of R500 000 has been carried forward towards the cost of future Group expansion and diversification.

The contribution to consolidated pre-tax profits by each of the Group major products was broadly as follows:

Cement ..... R4 317 000

Stone ..... R891 000

Lime ..... R611 000

The contribution by stone crushing interests is increased to R1 942 000 if the holdings in Hippo Holding Company Limited and South African Quarry Industries Limited is brought to account.

Cement

The exceptionally high demand for cement during the first six months of the financial year exceeded the capacity of the factories and the industry had to resort to importations and, in certain instances, rationing. As a result of stock build-up by consumers during the builders' recess in December, despatches fell off sharply during the first three months of 1971, but, with the cyclical increase in building tempo between August and November, demand is again running at a very high level. Unfortunately, due to labour difficulties, it was not possible to alleviate the supply position by shortening the construction period of the major extension at Duffield, commenced in April, 1970, due to come on stream next month.

The increase in sales of cement and clinker from 35.3 million pockets to 39.3 million pockets was not matched by a corresponding increase in net trading revenue due mainly to increased distribution costs resulting from the transfer of clinker between factories to maximise availability of cement.

It was recently announced in the press, that Pretoria Portland Cement Company Limited, Eastern Province Cement Company Limited, Whites South Africa Portland Cement Company Limited and this company had entered into an agreement effective from 1st July, 1971, whereby the marketing of cement would be channelled through a central marketing company. It is considered that considerable savings, deriving from the rationalisation of cement distribution and the planning of future expansion on an industry basis, will accrue to the Company to the benefit of shareholders and customers alike.

Kiln No. 2 at Duffield, estimated to finally cost R15 000 000, will allow the Company to rationalise production further. Provided demand continues to increase as in the past, the additional capacity of the Company and the other parties to the rationalisation agreement will be rapidly absorbed.

National Portland Cement Company Limited has operated at full capacity for the past two years and profits remain approximately the same.

Plans for the erection of a cement factory at Karibib, South West Africa, have been advanced and, subject to the satisfactory conclusion of current negotiations, it is expected that erection will commence during the next twelve months. The factory will be operated by South West Africa Portland Cement Limited.

Stone

The Company's interest in the stone crushing and quarrying field is derived from its investment in Hilton Quarries Holdings (Proprietary) Limited (formerly

Hilton Quarries (Proprietary) Limited, Hippo Holding Company Limited and South African Quarry Industries Limited.

Hilton Quarries Holdings (Proprietary) Limited was acquired with effect from 1st July, 1970, and has had a highly successful year of operation. Net profit after tax of the Hilton group of companies amounted to R534 000 and dividends of R400 000 were declared and paid.

During the year Hilton Quarries Holdings (Proprietary) Limited acquired the entire issued share capital of Leach & Brown Holdings (Proprietary) Limited and Crankshaw Quarries (Proprietary) Limited—both operating quarries in the Ladysmith area.

Hippo Holding Company Limited recorded increased consolidated profits of R1 463 000 for the year. Details of the operations of Hippo Holding Company Limited and its subsidiary, South African Quarry Industries Limited, appear elsewhere in this report and in the published accounts of those companies.

The demand for quarried and crushed stone continued at a high level and, as a result of the strategic situation of Group quarries in the major development areas of Natal, Cape Province and the Transvaal, it is expected that the Company's quarry interests will prove to be an increasingly profitable source of income.

Lime

The demand for lime and limestone products marketed by Union Lime Company Limited remained at a high level throughout the year and all kilns produced at maximum capacity. Turnover for the year at R3 313 000 was R560 000 higher than that of the previous financial year resulting in a net profit of R357 000.

The limestone deposit of Union Lime Company Limited comprises high grade limestone, which is used for the manufacture of burnt and hydrated lime products, and the less profitable low grade limestone which is used by the fertilizer, chemical and cement industries. Although the reserves of low grade limestone are sufficient for more than fifty years, the reserves of high grade limestone are rapidly being exhausted. Options have been acquired over large deposits of high grade limestone in the Danielskuil area of the Northern Cape for the future long-term development of a lime works.

Cement additives and sealants

The company has acquired a substantial interest in DuraJoint Construction Products (Proprietary) Limited—a company operating in the chemical and cement additive fields. The company's scale of operations was considerably expanded during the financial year under review and extensive alterations and additions made to buildings, plant and machinery. Expenditure in this connection has been funded by Anglo-Alpha Cement Limited by way of loans and guarantees. Results to date have been extremely disappointing and heavy trading losses have been incurred in bringing the company into full-scale operation. Provision has been made in the accounts for these losses. Vigorous efforts are being made to bring the company to a profit earning stage.

Other Interests

Details of Group interests, which include investments in property, fertilisers, ready mixed concrete and computer services, are listed elsewhere in the report and accounts. These interests will be developed and expanded as the opportunity arises.

Euro-dollar and Swiss franc loans

As reported in the press the Group has raised various loans totalling R9 million at an average interest rate of 8.1 per cent per annum. The loan details of which are given in the directors' report, will be used to finance current capital expenditure within the Group.

Prospects

It is expected that the Company will be able to improve on the existing level of profits in the current financial year and that the results from associated and subsidiary companies will also show an upward trend. There is no doubt, however, that in the face of the inflationary pressures, the rising cost structure and the uncertain economic conditions prevailing it will not be easy to fulfil this expectation.

General

I would like to acknowledge the important services provided to the industry by the staff of the South African Cement Producers Association and the Portland Cement Institute.

Finally I wish to place on record your board's warm appreciation of the services rendered by all employees of the Group.

## FT INDEX OF GROCERY PRICES

# Just a little cheaper

BY SHEILA BLACK

THE FINANCIAL TIMES This month's fall was due to shops, have not affected food prices. A spot check in and around the Financial Times offices, show that women had not realised how many lines were exempt from purchase tax, or from high levels of purchase tax, before the Budget. The tiny decreases which might have been made on some lines have been offset by prices which had already been scheduled to rise for a bigger drop in October. "price-reduced" labels in many

As it is, and if the Indian purchase tax reductions from summer holds, we should be in the July Budget, while yielding already been scheduled to rise for a bigger drop in October. "price-reduced" labels in many

Total of 11 shopping areas September August

	£ p	£ p
DAIRY PRODUCE, FATS, EGGS, ETC.	66.69	66.59
SUGAR, TEA, COFFEE AND SOFT DRINKS	27.13	26.96
BREAD, FLOUR, CEREALS, BISCUITS AND CAKES	34.85	34.85
PRESERVES AND DRY GROCERIES	10.47	10.41
SAUCES AND PICKLES	6.12	6.17
CANNED FOODS	21.06	21.32
FROZEN FOODS	17.21	16.99
FISH, MEAT, BACON, ETC. (FRESH)	67.96	66.85
FRUIT AND VEGETABLES	33.93	35.78
NON-FOODS	25.49	25.40
	311.11	311.52

OLD INDEX

1964: Nov. 100; Dec. 102.35.

1965: Jan. 101.41; Feb. 102.22; Mar. 102.58; April 103.16; May 103.70; June 105.28; July 105.88; Aug. 105.31; Sept. 103.64; Oct. 103.13; Nov. 103.95; Dec. 105.93.

1966: Jan. 105.80; Feb. 104.66; Mar. 105.39; April 106.78; May 108.21; June 109.90; July 109.34; Aug. 108.47; Sept. 107.74; Oct. 106.81; Nov. 107.47; Dec. 108.16.

1967: Jan. 108.85; Feb. 108.20; Mar. 107.66; April 108.20; May 109.75; June 113.94; July 110.45; Aug. 107.25; Sept. 106.18; Oct. 106.66; Nov. 107.58; Dec. 111.47.

1968: Jan. 112.71; Feb. 112.12; Mar. 111.75; April 112.10; May 112.68; June 114.75; July 112.20; Aug. 112.09; Sept. 111.12; Oct. 111.47; Nov. 112.06; Dec. 114.49.

1969: Jan. 114.88; Feb. 116.70; Mar. 117.67; April 118.31; May 120.57; June 122.92; July 121.59; Aug. 118.79; Sept. 117.48; Oct. 118.14; Nov. 118.83; Dec. 121.23.

1970: Jan. 122.04; Feb. 123.05; Mar. 123.70; April 125.82; May 126.32; June 129.76; July 129.42; Aug. 127.02; Sept. 127.03; Oct. 126.67; Nov. 127.68; Dec. 128.5.

1971: Jan. 131.23.

NEW INDEX:

1971: Feb. 100; Mar. 101.09; April 102.73; May 105.75; June 108.00; July 107.24; Aug. 105.40; Sept. 105.26.

List of components of our Shopping Basket free on request.

# The British Electric Traction Company, Limited

## Sir John Spencer Wills forecasts further increase in profits

The Annual General Meeting of The British Electric Traction Company, Limited will be held on 14th October 1971, at the Connaught Rooms, Great Queen Street, London, W.C.2.

The following are extracts from the Review by Sir John Spencer Wills, Chairman and Managing Director, which has been circulated with the Report and Accounts for the year ended 31st March 1971:

Accounts

The year ended 31st March 1971, saw a continuation of the growth of the previous year, but at an increased rate. The Accounts now presented show a profit attributable to the B.E.T. Company, after tax and minority interests, of £9,032,000 compared with £8,178,000 for the previous twelve months—an increase of 10.4 per cent on the record profit of the previous year.

Last year, I referred to the 20 per cent increase in earnings we had derived from the reinvestment of the £36 million cash received from the sale of the Group's United Kingdom bus interests, compared with the last full year's contribution from the former bus companies. Today, the following postscript can be added. In 1970, the National Bus Company incurred an operating loss of some £5 million, due mainly to factors beyond its control, such as general wage and price inflation and declining passenger traffic. How much of that huge loss was attributable to the former bus interests of the B.E.T. Group is not known but, without doubt, it would have been a formidable figure. By contrast, in 1970 the businesses and investments we acquired with the £36 million proceeds of sale produced a gross profit of £4.1 million and, after tax and minority interests, a net profit of just over £2.5 million.

In accordance with a general recommendation of The Institute of Chartered Accountants, the Consolidated Profit now includes our share of the profits of Associated Companies; in former years only the dividends received from those companies were included. All the relevant figures of the previous year have been adjusted so that they are comparable. The profit attributable to B.E.T. in respect of its interests in Associated Companies is £1,730,000 for the year under review, compared with £1,699,000 for the previous twelve months.

## Canadian Motorways

Twelve months ago, the prospects for any recovery by Canadian Motorways during 1970 did not appear encouraging. I am pleased, therefore, to report that our Canadian subsidiary's pre-tax profit last year of £451,000 was an improvement of 14 per cent on the 1969 result. Whilst this profit does not represent a satisfactory return on capital invested, the company emerged well from what was a particularly bad year for the Canadian road transport industry.

Although the recently announced surcharge on imports into the United States of America will affect Canadian Motorways, I am optimistic that the group's results for 1971 will show further improvement.

## Humphries Holdings

The continuation of the recession in the feature film and television industries, to which I referred in my last Review, had a most damaging effect on Humphries Holdings, the

major part of whose business comes from those two industries. A pre-tax loss of £329,000 was incurred in the year to 31st March 1971, compared with a pre-tax profit of £362,000 in the previous year.

Conditions in the film industry continue to be difficult but the Chairman of Humphries Holdings is convinced the company will show improved results in the current year and that, when recent capital investments become more productive and the full effect is felt of the various steps which have been taken to achieve greater efficiency, including certain senior management changes, Humphries Holdings will again earn satisfactory profits.

## Argus Press Holdings

The pre-tax profit of Argus Press Holdings for 1970, at £383,000, was £100,000 better than the previous year's result.

In December last, Argus Press Holdings purchased two weekly newspaper groups from United Newspapers for a cash consideration of £1,050,000. They were the South London News Group, which operates in the southern suburbs of London and is geographically contiguous to our East Surrey Newspapers, and the Hornsey Journal Group which publishes weekly papers in North and West London. The benefits of rationalisation of the weekly newspaper interests will not be felt immediately and in the current year the pre-tax profit of Argus Press Holdings will be lower due to the cost of financing the acquisition of the two new groups.

## Advance Laundries

Advance Laundries did considerably better in 1970 than had been expected at the time of my last Review. There was an 18.8 per cent improvement at the pre-tax level, which lifted profits to a record £1,477,000. All sectors of Advance Laundries contributed to this excellent result but the commercial services—Towelmaster cabinets, linen and garment hire and related services—again contributed over three-quarters of the profit.

The Vendmaster subsidiary, to which I referred last year and which provides hot and cold beverages from automatic machines, made useful progress. Another service which appears to have a promising future and complements the office cleaning facilities offered by the group, is the new "Dustmaster" mat-processing and hire service from the United States, which Advance Laundries has recently introduced in the London area. These mats are considered to be the most efficient of their kind in preventing the entry of dirt and moisture into buildings.

The cut of one-half in the rates of S.E.T. in July this year, was a welcome step by the Government towards the promised abolition of this tax but, unfortunately, the resultant saving will be more than offset by rises in the cost of materials and services and a pending increase in labour rates resulting from a recent award by the Laundry Wages Council.

Despite continuing increases in costs, I am hopeful that in the current year Advance Laundries will improve on its record profit of last year.

## Plant Hire

In a highly competitive market, Eddison Plant and Grayston each successfully increased profits last year and, including a six months' contribution from the new subsidiary, I.D. White, the plant hire interests produced total pre-tax profits of £1,312,000.

The plant hire industry is presently suffering from the effects of the economic recession on the civil engineering and construction industries. Increasing capital and other costs and the withdrawal of investment grants have made the purchase of some types of construction plant uneconomic at the level of hire charges now prevailing, whilst the increased competition resulting from the lack of expansion in civil engineering and construction work is inhibiting plant hirers from raising charges to the levels needed to cover increasing costs.

Plant hire nevertheless remains basically a growth industry and the answer to the immediate problem lies in a greater and more balanced work programme for the civil engineering industry; under present conditions

this may take time to materialise. For that reason, our plant hire interests, whilst they should match their last year's performance, are not expected to show an increase in total profits in the current year.

## Murphy Bros.

The opencast mining activities, which are the major part of Murphy Bros.' business, produced a useful improvement in pre-tax profit in the company's financial year to 30th November 1970. This improvement was, however, in part offset by a reduction in the contribution of the road haulage side of the business, where rapidly rising costs and keen competition made it difficult to maintain reasonable margins. Even so, Murphy Bros.' profit of £1,505,000, before tax, was a record for the company.

## Rediffusion Television

I am pleased to say that when Rediffusion Television's accounts for the year which ended in July last, are prepared, they will show a considerable improvement due to an increase in the profits of Thames Television, in which Rediffusion Television has a 50 per cent shareholding. The halving by the Government in February this year of the levy on television advertising revenue and the subsequent increase in the level of advertising revenue itself are responsible for the improvement in Thames Television's position.

## Rediffusion Holdings

For the year to 31st March 1971, the pre-tax profit of Rediffusion Holdings was £586,000, compared with £623,000 for the previous twelve months. The reduction in profit is attributable chiefly to lower earnings by Wembley Stadium, which had to meet considerable increases in costs, partially offset by an improvement in the earnings of Walport, the other main operating subsidiary of the Rediffusion Holdings group. Walport provides film entertainment on ships at sea and, for the fifth year running since the business was acquired, increased the number of ships it services, on this occasion by no less than 20 per cent.

A building lease has been granted by Wembley Stadium for the construction of a hotel at Wembley by the Easo Motor Hotel Group and this building is expected to be completed by March 1973. Negotiations are proceeding for detailed planning permission for the erection on Wembley Stadium's land of the conference centre and warehousing I referred to last year, and also office accommodation.

## North Sea Interests

Last year, I mentioned that B.E.T. had taken a 5 per cent interest in a consortium formed by the Phillips Petroleum Company to search for oil in the United Kingdom section of the North Sea and that the consortium had been granted licences in respect of nine blocks, some of them jointly with The British Petroleum Company Limited. Seismic evaluation is still continuing and no drilling has yet taken place.

Under the latest round of licence applications invited by the British Government this summer, another consortium, formed by Phillips Petroleum, in which B.E.T. also has an interest, of 5 per cent or 7 per cent according to area, has applied for further blocks on the United Kingdom Continental Shelf.

## Boulton & Paul

Twelve months ago, I referred to the considerable resurgence of business experienced by Boulton & Paul, particularly in the joinery and engineering activities, in the late spring and early summer of 1970. That increase in demand continued to accelerate at a remarkable rate and resulted in a profit, before tax, of £2,372,000 in respect of, on this occasion, an extended accounting period of eighteen months to 31st March 1971, in consequence of the change in the company's financial year-end. Of this pre-tax profit there has been included in B.E.T.'s Consolidated Profit and Loss Account an amount of £1,935,000, being that portion of the profit attributable to Boulton & Paul's operations in the twelve months ended 31st March last. Although the

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MEXICAN TOURIST OFFICE, 52, Grosvenor Gardens, LONDON S.W.1. TEL. 740012/3

## Bland, Welch & Co. Ltd.

Mr. Neil Mills, Chairman of Bland Welch & Co. Ltd., a member of the Montague Trust Group, announces that Heads of Agreement have been reached between Bland, Welch & Co. Ltd., and Monsieur Raymond Juteau with a view to sharing certain of their insurance broking interests in France. It has been agreed that a French holding company be formed between them. Monsieur Raymond Juteau will assume its presidency and shall hold the majority of shares. This Company's assets shall include Comptoir Général d'Assurances, French subsidiary company of Bland, Welch & Co. Ltd., as well as shares in the Union Française de Réassurance and in the Société du Cabinet Alfred Stevens, companies belonging to the Groupe Juteau. These three companies shall retain their own administration and their present management.

# The B.E.T. Group

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**An example of one of the Company's major developments . . .**  
**ARUNDEL GREAT COURT, STRAND**, which will comprise 392,000 square feet of offices, a luxury riverside hotel and shops along the Strand frontage. The development will create one of the few new squares to be built in the centre of London for many years.



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## Financial Times Survey

# Sea Freight to The Far East

## Container ships to take over

By JAMES McDONALD, Shipping Correspondent

With the launch last Monday in Hamburg of the first British container ship for the Far East trade, the Tokyo Bay, the first stage has been achieved by some Western shipowners towards the containerisation of the shipping trade between Europe and the Far East. By 1973 British, Continental and Japanese shipowners will have invested over £250m. in 17 of the world's biggest and fastest container ships operating between the Far East, the U.K. and North-West Europe. Each ship costs between £10m. and £12m. and another £50m. at least will have been invested in shore-based terminal facilities and inland transport.

It is impossible to count the number of conventional cargo ships which will be replaced by the container revolution. But on the basis of experience in the U.K.-Australia containerisation revolution it can be assumed that one container ship will replace three or four conventional cargo liners.

Japanese companies will be first in the field in the introduction of container ships in the Far East trade, with five—under the Mitsui, OSK and NYK flags—entering the service in the first half of next year.

Another five, provided by the British Overseas Containers (OCL) consortium, will start entering service from April or May next year and another three British ships—ordered by the other British consortium, Ben Line and Ellerman Lines, the effective partners in the Far East of Associated Containers Transportation (ACT).

### Actual members

The involvement of ACT in the Far East comprises a company called Ben Line Containers (BLC) formed in March last year which is a joint venture by Ben Line and Ellerman Lines in conjunction with ACT. The company has orders for three 950-foot long container ships with West German builders, two for delivery in 1972 and the third in 1973. Services by Ben Line Containers will begin between Japan and the U.K.-Continental from the middle of next year.

The Trio service—with integrated British, German and Japanese lines operating—is scheduled to begin services from Japan on New Year's Eve, 1971, with the first Japanese-owned ships sailing to and from Japan and the U.K.-Continental from the middle of next year.

By about the middle of 1972 ships will start to call at Singapore and Hong Kong and eventually the service will also carry cargo to and from Taiwan and West Malaysia.

The final pattern is not settled but it is likely to be "contra-rotating," with container ships sailing round the world in both directions, giving the best possible transit times in each direction involving both the Panama Canal and the round-Cape route. The transit times could be from Europe-Japan, 21 days; Europe-Singapore, 19 days; and Europe-Hong Kong, 22 or 23 days.

The container ships on the Far East route will be among the largest and fastest in the world. Each will be able to carry over 2,000 20-foot containers or their equivalents at a service speed of 26 knots. The Tokyo Bay, will enter service in March, 1972.

The new OCL ships for the Far East service will be called: the "Tokyo Bay," the "Liverpool Bay," "Kowloon Bay," "Cardigan Bay" and "Osaka Bay." Ben Line Containers and the Japanese members of the "Trio" will offer similar ships. All the members of the consortium of the Far East

trade believe that the containerisation—door-to-door concept—offers the best answer to rising transport costs in an inflationary world.

They are also deeply conscious, and probably antagonistic to the view that shipping should be treated as a cheap utility service. They have provided of a cost-cutting service but expect a reasonable return for the capital invested. On present day terms no shipowners expecting to survive could accept less than between 15 and 20 per cent. return on the capital involved.

The OCL consortium was formed by the pooling of the resources of shipowners operating in the Far East trade—Blue Funnel Line (Ocean Steam), Glen Line and the P & O group.

### Customer's door

The service offered by OCL, Ben Line Containers and the Japanese lines simply are door-to-door services. Goods can be loaded on one's premises as a single, easily identifiable container load and remain as such throughout the land and sea journey until they reach the final customer's door.

In the case of smaller amounts of cargo—which would not be of sufficient weight or cube to necessitate a whole container—the customer's goods are packed with other suitable commodities at a U.K. or Far East containerbase. These are the two basic ways of using the service.

Inland containerbases in the U.K. constructed for the Europe-Australia trade will be used in the same way for the packing, unpacking and consolidation of less-than-container loads on the Far East route, says Overseas Containers. Operated by the Containerbase Federation, these inland depots are situated at points close to major centres of industry, on sites easily available to Leeds, Liverpool, Birmingham, Glasgow and Manchester by rail or road.

At Barking, Essex, a containerbase is under construction and is expected to be partially operational by the time the Far East container ship service begins. Eventually, for the Far East container ship service, there will be facilities at the depot owned by London East (ICD) at Chobham Farm, Stratford.

The British shipping lines which have been operating the container service to Australia have learned a number of lessons and they have applied these to the Far East trade. Both OCL and ACT admit that the Australian containerisation trade has allowed the shipowners, importers and exporters, "to gain experience in the use of containers and associated handling equipment, and stowage and packing techniques."

Among containerised commodities successfully carried so far have been canned goods, timber, rubber, tea, diesel engines, motor cycles and television sets.

Each container ship in the Far East trade will have insulated capacity, able to carry frozen fish and confectionery.

Ships operating in the trade will call at Southampton, Rotterdam, Hamburg and, possibly, Bremerhaven. The Southampton terminal is on land leased from the British Transport Docks Board, and is being constructed specially for this trade. The company operating the terminal—Solent Container Services (the shareholders of which are OCL and Ben Line Containers)—has been formed to take respon-

sibility for all operations in the 56-acre Southampton site.

Earlier this month, Mr. M. F. Strachan, chairman of Ben Line Containers and of ACT, commented upon criticisms of the container concept. "Some of the published results of container services appearing in recent months have made depressing reading. Many of the reported losses in other trades have been in respect of development costs. They have not all been trading losses. And there are several good reasons why we in Ben Line Containers are nevertheless inclined to view the future of the Europe-Far East trade with cautious optimism."

"The underlying soundness of the concept of containerisation—replacing a labour-intensive operation by a capital-intensive one—was irrefutable," said Mr. Strachan.

"In this connection the Ship-

ping Committee of the United Nations Conference on Trade and Development has recently published a paper on the relative economies of conventional and container operations.

### Freely accepted

"UNCTAD has not been noticeably backward in urging developing nations to invest in their own conventional fleets, so one might expect some bias in favour of conventional ships. Far from it. In their paper, UNCTAD produce some startling figures to demonstrate that containerisation is economically greatly superior to conventional shipping operations."

No consortium in the Far East containerisation programme seems willing to share profits on a live-and-let-live attitude. Competition on the routes appears to have been accepted freely by the companies involved.

There must be some scepticism about the advantage of competition when shipping lines in the same trade charge the same rates. But within the conference system the individual lines try to compete in terms of improved service.

Mr. Strachan, perhaps, sets the scene with his comment: "We work hard to do things more quickly and rather more cheaply than our competitors. We believe in competition and have determinedly insisted, for the good of the container operators themselves, as well as for the good of our customers, that the competitive element must not disappear with the advent of containerisation."

"This does not prevent us from having a close and cordial working relationship with our British counterparts in OCL and with our Japanese and German colleagues."

## Trade is likely to prosper

By DAVID CURRY

By 1973 some 17 custom-built container ships will link Europe with the Far East with departures every four days. The question is not so much "why containerise" as "why so long to containerise."

At a first glance the trade is ideal for containerisation. The chairman of Overseas Containers described it as "like having Birmingham at both ends," and a glance at the items which form the bulk of Anglo-Japanese trade shows what he meant.

Britain enjoys a slight surplus on the trade. She exports manufactured goods worth £56m. (1970 figures) and takes £52m. of the same sort of product in exchange. Her machinery sales—including the transport equipment—amounted in 1970 to £42m., just £5m. more than her imports of the same category of goods from Japan. In chemicals, Britain enjoyed a £7m. surplus with sales worth £23m. The chief products which do not enjoy a two-way trade

are fish, which Japan sends to the U.K. to the tune of £17m. in 1970, and beverages, with Scotch leading the field, which were worth about £43m. to British exporters in 1970 and are climbing following the relaxation of quotas as part of the liberalisation measures which were introduced at the beginning of this year.

### Heavy investment

Partly the delay has been due to the heavy investment needed in new ships to run container services. Partly it has been attendant upon ironing out snags in the Australia container run. The two chief reasons have been the lack of terminal facilities in the Far East, and the Japanese slowness to take the plunge into containerisation. While the costs of handling cargoes in Japanese ports remained relatively low, there was no urgent demand for containers. What finally seems to have spurred the Japanese

along the road to containerisation is the escalation of costs on the American West Coast as longshoremen's wages climbed, and the demands of the American market wanting a "through service" to the Middle-West.

Ironically, it now seems certain that the Japanese will be the first on the container run to Europe under the tripartite consortium—TRIO—which will handle the bulk of the Far East trade.

TRIO comprises five concerns: the two British groups Overseas Containers and Ben Line Containers (part of the Associated Container Transportation concern); the German Hapag-Lloyd group and NYK and Mitsui O.S.K. of Japan.

Although the companies will compete for buyers, they will pool ships and terminal facilities.

The service will link Southampton, Rotterdam, Hamburg and/or Bremerhaven with Tokyo.

Continued on next page.

## Who'd ever think of thistles for Ikebana?

To be honest, flowers are one of the few things we don't arrange for shippers in the Far East. But perfection is Ikebana and the provision of a really comprehensive shipping service both stem from the same sources: the right materials, a lot of skill, and a lot of experience. And in Scotland Ben Line Containers have plenty of all three. Three giant ships and 5,000 containers on order,

staff and offices covering the Far East (and providing you with on-the-spot marketing intelligence), backed by 150 years of personal service. If you want to turn the general advantages of containerisation to your particular advantage by using Ben Line Containers' new freightway to the East, contact our agents. And between us we'll arrange it. Perfectly.



BEN LINE CONTAINERS LTD

freightway to the East

## designed to go places

Some of the best-known names in shipping put their heads together to set up ACT—Associated Container Transportation. The idea was simple—to form the most efficient, practical and competitive container operation possible. And the idea paid off very nicely—ACT's customers discover that almost every day. The latest of the member companies to make use of the ACT way of working is Ben Line Containers Ltd. At ACT, we'd just like to say this—Congratulations, B.L.C.—together we really started something.



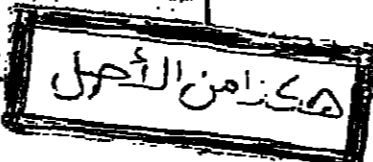
Associated Container Transportation Limited

136 Fenchurch Street, London E.C.3. Tel: 01-481 2557

Brokers and London Agents:

Killick Martin &amp; Company Limited, 20 Mark Lane, P.O. Box 607, London, EC3P 3EB.

Tel: 01-623 3100.



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# SEA FREIGHT II



## Southampton to have container terminal

By RAY DAFTER

Southampton's importance as a major British passenger ocean terminal is well documented. Newsreel archives have a large selection of those films showing majestic liners arriving or leaving, their passengers—whether the rich, the famous, the holidaymakers or the immigrant—waving enthusiastically to the crowds of well-wishers.

Such ships, like the Queen Elizabeth 2, still call regularly due to start from Southampton in the New Year. Few British emphasis of travel is swinging from sea to air, so the port of Southampton is turning its attention increasingly to cargo traffic, and to containerised traffic in particular.

Its deep water and tidal advantages, along with an ideal geographical location, which were the main attractions for the large passenger liners, have similarly been used to attract container operators with their huge specially built cellular ships. This is particularly pertinent in the case of the Far East container service which is due to start from Southampton in the New Year. Few British ports as they stand with their locking systems could cater for the size of ships to be introduced by the Far East lines.

Southampton is already established as a major U.K. container port although—like containerisation itself—its history is comparatively short in this respect. Its first operations started about three years ago with a 1,000 feet common user quay built as a speculative venture for some £3.5m.

In some ways the port was embarrassed by success: there were times when it could not cope adequately with the amount of trade it was attracting. It became a major U.K. terminal for the North Atlantic container trade, a trade which has resisted concentrating on a single port.

There came a time last year when one berth was turning round seven vessels a week, including small feeder ships. During 1970 the volume of container trade quadrupled compared with 1969.

The early experiences of frustration and congestion seem largely to have been overcome, partly with the introduction of large ships resulting in fewer sailings, and partly with better dockside facilities. The British Transport Docks Board, which controls the port, has also appointed a specialist container terminal manager as well as carrying out a thorough review of operational methods.

### No doubt

There is no doubt that Southampton would have dearly loved to have attracted the Australian container trade. (With the early prolonged industrial dispute at Tilbury, London, there must have been times when the lines wished they had chosen Southampton as well, although it should be added that Tilbury has since earned itself a considerable reputation for container handling.) But Southampton's real chance to show what it can do with a major trade has come in the form of the Far East service.

The ETDB, with the help of a 20 per cent. port modernisation grant from the Government, is spending some £14m. on four berths at the Southampton Container Terminal, two of which will be used exclusively for the Far East service. The berths, nearing completion, have been constructed on land reclaimed from the River Test.

When the Docks Board announced details of the development some 15 months ago Mr. Donald Stringer, port director, said it had been estimated that some 2m. tons of traffic would pass through Southampton annually on the Far East service. While the port has been handling about 1,000 containers a week it is expected that by the end of 1973 the frequency will be more like 1,000 a day.

Such a movement of traffic not only creates demands on berth facilities but also on inland distribution. In May this year it was announced that over £300,000 was being spent on a new dual-carriageway road bridge over the main London-Bournemouth railway line, providing a completely new access route for road traffic to the container berths.

By using this new route heavy road vehicles will be able to avoid Southampton's city centre completely. As Mr. Stringer pointed out, the bridge would bring important benefits to both port users and to the people of Southampton. "While I feel that the people of Southampton welcome, by and large, the tremendous development taking place in their port, they have naturally felt concerned that the economic advantages should not be outweighed by environmental disadvantages," he commented.

Mr. Stringer pointed out that the port's easy accessibility to shipping had been a vital factor in attracting new business. Nevertheless, if the port was to deal with the business completely successfully, road and rail links with the rest of the country must be equal to the task.

It must be said that access to ports, including that of Southampton, seems to have been a blind spot with motorway planners in the past. The road system has not been up to the demands of the traffic generated by such terminals. However, the recent Government announcement about motorway proposals seems to be coming to grips with this problem.

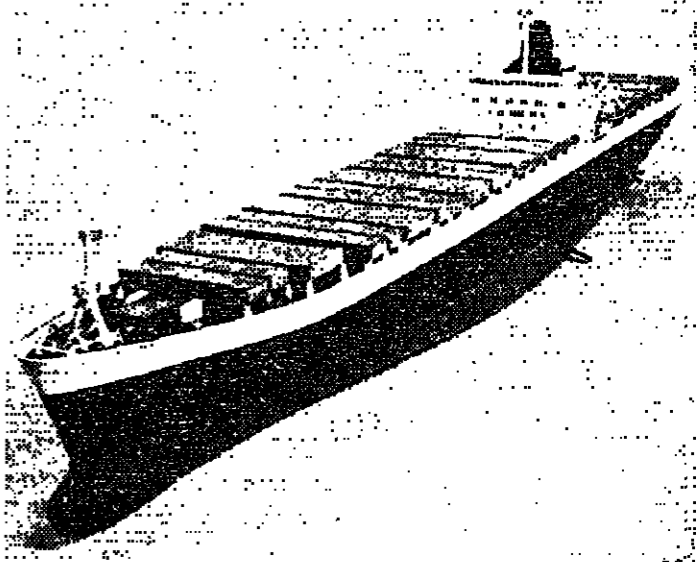
### Capital spending

Signatories to the contract—signed in the presence of Mr. John Peyton, Minister of Transport Industries—were Overseas Containers and Associated Container Transportation (the two British consortia involved in the Far East service), Freightliners, British Rail and the BTDB.

An associated contract was also signed by Freightliners and British Rail for the provision of the trains for the service and later a good deal of interest was generated by British Rail's announcement that it would lease the wagons rather than buy them in an attempt to cut down capital spending.

To cater for this big rail movement of Far East containers new Freightliner terminals are being provided: one in Southampton next to the Far East berth; the other in Barking, London.

A new big rationalised service like that of the Far East obviously presents planning



A model of a typical container ship that will be operating on the Far East routes.

problems: estimating how much equipment will be needed and where; the size and pattern of inland distribution.

The BTDB helped the lines through a special research project. More than 5,000 questionnaires were sent out by the Board to shippers, importers and other relevant interests with the aim of producing reliable information about traffic potential. A Board spokesman said it was believed to be the first occasion that a U.K. port authority had provided detailed market research for a customer as part of its after sales service.

The development of container facilities at Southampton does not end with the Far East Service. The port has already submitted a £10m. quay development plan to the Government. Although no official announcement was ever made it is widely felt that part of this development was intended for the New Zealand container service which has now been shelved.

It will probably be several years before another major trade, like North Atlantic, Australia-Europe and Far East-Europe, is containerised. Southampton must be content that it has snatched the last of that big trio but it cannot afford to be complacent. For if Southampton fails to provide the required service then it is a fair bet that another port will put in a bid to handle the lucrative trade.

## Trade—(Cont'd.)

Continued from previous page

and Kobe in Japan (early in 1972); Hong Kong (mid-1972); Singapore (mid-1972); South Korea and Taiwan (feeder services probably starting in mid-1972); west Malaysia (early 1973); and the Philippines (no date fixed).

The route will differ from the Australia run in three ways. It will be more fully containerised than the Australia trade, of which about 80 per cent. goes in containers; it will probably have a greater volume of less-than-container-load traffic, generating additional business for freight forwarders providing consolidated services; and it will have little use for refrigerated containers, which are used largely on the Australia run with its shipments of meat.

TRIO has never claimed that containerisation will prevent freight costs rising, still less cut them. What it does claim is that it will flatten the rising curve of costs. Ancillary benefits are expected to be economies achieved through more efficient packing, and the cutting down losses through pilferage and damage.

Associated Container Transportation claims that shipping British goods to Australia by container rather than by conventional methods has slashed costs against it by 86 per cent., and calculates that claims on goods in the opposite direction have been cut by 82 per cent. These figures relate to claims received by ACT under its own bills of lading, and do not include claims submitted by shippers under their own marine insurance arrangements, though there is little reason to doubt that these, too, will have dropped by a substantial percentage.

In addition to the trade with Europe, there is also a substantial trade between individual Far East countries. Malaysia and Singapore are developing their own lines within the Far East Conference with Japanese backing and British assistance.

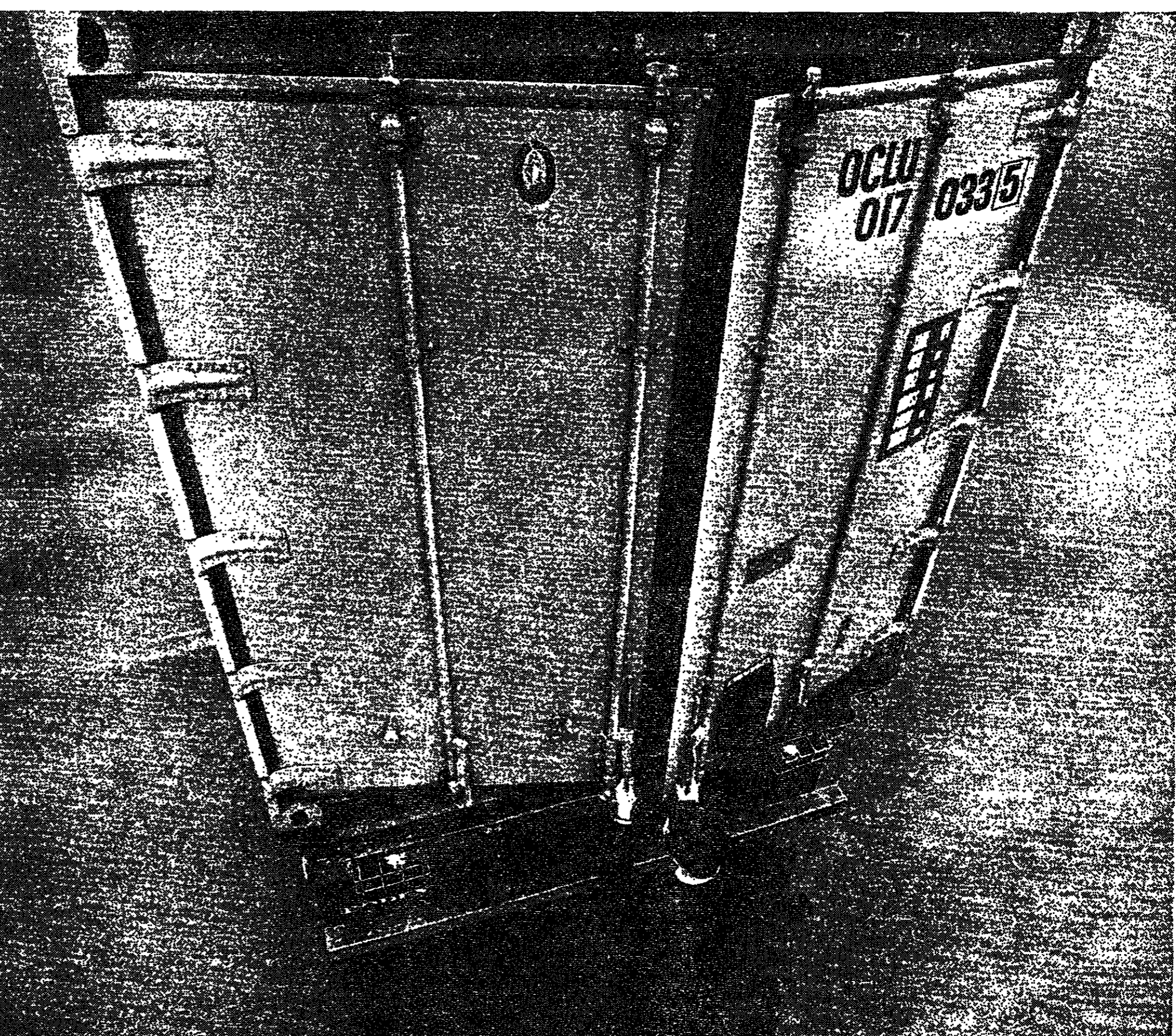
The trade seems likely to prosper. Wage levels in the Far East are still low enough to make it an attractive proposition for European companies to carry on manufacturing activities there (as, for example, some British publishers do). The Japanese market will also expand. Its liberalisation seems certain to continue, despite a Japanese tendency to invent nagging restrictions to hamper trade while political or bureaucratic decisions are taken. The Japanese yen seems likely ultimately to settle at a level which will mean an effective revaluation against European currencies, while the Japanese export offensive against Europe is still relatively young. Japanese penetration of other Far Eastern markets, particularly the rubber-producing belt centred on Singapore, is likely to make even faster strides.

It could well be that there will be not only a Birmingham-Bromwiches strung along the middle.

### U.K. TRADE WITH THE FAR EAST IN 1970

Main elements in U.K. exports	U.K. trading partner	Main categories of goods sent to U.K.
<b>U.K. JAPAN</b>		
Manufactures £59m.		Manufactures £52m.
Machinery £42m.	£148m. →	Machinery £27m.
Chemicals £23m.		Chemicals £16m.
Fish £4m.	← £134m.	Fish £17m.
<b>U.K. HONG KONG</b>		
Manuf. £33m.		Clothing £49m.
Machinery £36m.	£99.5m. →	Manuf. £23m.
Chemicals £8.6m.	← £128m.	Textiles £20m.
		Footwear £10m.
<b>U.K. SINGAPORE</b>		
Machinery £32m.		Rubber £9.3m.
Manuf. £11m.	£62m. →	Veg. oils and fats £3.5m.
Chemicals £7m.	← £33.5m.	Wood £3m.
<b>U.K. MALAYSIA</b>		
Machinery £33m.		Rubber £17m.
Manuf. £10m.	£60m. →	Wood £6.5m.
Chemicals £6.8m.	← £46.5m.	Veg. oils and fats £8m.
		Manuf. £5.7m.
<b>U.K. PHILIPPINES</b>		
Machinery £16m.		Crude materials £3.4m.
Chemicals £3.3m.	£25m. →	Fruit and veg. £1.3m.
	← £7.4m.	
<b>U.K. TAIWAN</b>		
Machinery £4m.	£6.6m. →	Manuf. £2.9m.
	← £5.8m.	Food £1.1m.

Figures are based on the Overseas Trade Statistics of the U.K. December 1970, HMSO.



## The NEW trade entrance to the Far East is through OCL's front door

Shortly these doors will swing back and a new way of sending exports to the Far East will be open to you. They are the doors of an OCL container, and soon thousands of these big, strong, damage-proof boxes will be on their way, first to Japan and later to Singapore, Hong Kong and the rest of the Far East.

We'll bring the containers you need to your premises. When they're loaded, we'll transport them to our container terminal for loading onto our purpose built container ships. Then, at the other end of the line, we'll deliver the goods direct to your customer and the whole operation, takes place in the shortest possible time.

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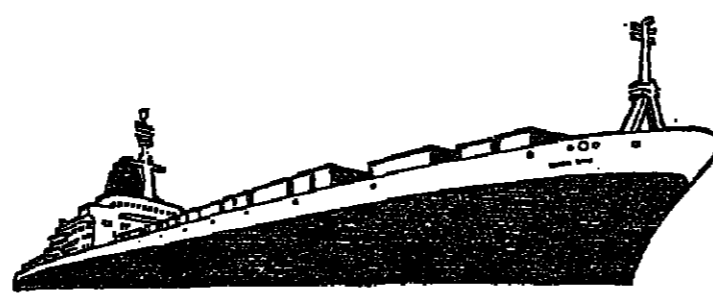
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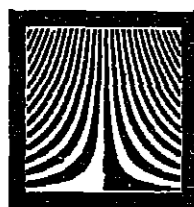
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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ● AUTOMATION

### Handling whisky galore

AUTOMATIC barrel handling equipment capable of maintaining a continuous flow between storage bays and lorries has been installed at the warehouse of Chivas Brothers at Dalmeir, near Glasgow.

Based largely on mechanical handling equipment manufactured by Gough Egan of Clough Street, Hanley, Stoke-on-Trent, Staffs., the system was designed by Cowan and Linn, the Glasgow firm of consulting engineers, while detailed design was carried out by the principal contractor, Production Methods of Barhead, Glasgow, in conjunction with Gough.

Capacity of the system is about 800 barrels per day, with sizes ranging from 40 to 120 gallons and weighing up to 13 cwt. At maximum operating speed, throughput is about 200 barrels per hour.

Incoming barrels of spirit are off-loaded from the vehicles by a rail-mounted unit and lowered on to an indexing floor conveyor. Movement of the conveyor is controlled by a barrel-actuated limit switch fitted to a buffer so that it is not operated until the barrel has stopped rocking.

The conveyor takes the spirit through into the bond area where the containers are located in any one of fifteen storage lanes by a rail-mounted, mobile push-off unit. Up to 750 barrels can be stored in this buffer area. An interlock between the off-loading station and the loading end of the conveyor prevents barrels being put on the conveyor until the off-loading position is clear.

Another conveyor system takes the barrels from store when they are wanted for blending. This handling unit is designed so that the barrels are

### Monitor for ship's engines

EQUIPMENT for monitoring important engine parameters and automatically shutting down equipment in the event of malfunction has been installed in HMNZS Canterbury, due to be commissioned next month.

Developed and manufactured by Teddington Autocontrols of Sunbury-on-Thames, Middlesex, the system monitors lubricating oil pressure, coolant temperature, fuel oil pressure and generator temperature. Operating limits can be set on each of these, and if they are exceeded, audible and visual alarms are given, and the engines automatically shut down to avoid damage.

Similar equipment is already being fitted to ships of the Royal Navy and of the Chilean and Argentinian navies.

## ● CONTROL

### Watches the speed of rotation

FOR the monitoring and control of rotary, and reciprocating movements in mechanical handling or process plant, Parametric, Canal Street, Runcorn, Cheshire, has produced a remote rotation monitor which has many applications in industries where conveyors, mixers, continuous processing and automated mechanical handling are employed.

The rotation monitor has a read switch assembly and a magnet, both encapsulated in epoxy resin, and a steel, wall-mounted control box—the whole system employing no mechanical parts—and it is completely impervious to process atmosphere or corrosion deterioration.

With a range of 0.1-3,000 r.p.m., this system will immediately detect a change in rotary or linear movement. A slowing down or stopping of a normally continuously rotating system will cause a relay to trip, whether the read switch is in the operated or non-operated condition, and the small control panel can be positioned any distance from the sensing head unit.

Installation is simple, the magnet, which is supplied with a fixing stud, is screwed into the shaft to be monitored. The static read switch unit is positioned adjacent to the magnet, and the control box wherever required. This unit can easily be built into existing process control systems, and is designed to operate a sequence "shut down" function where automated mechanical systems demand such safeguards.

An over-ride timing device can be incorporated if required, to ensure that rotation reaches the correct running speed on start-up before control becomes operative.

## ● PRODUCTS

### Copies without carbons

A FIRST serious challenge to the dominating position in the carbonless business paper market so far held by NCR has been thrown down in the U.K. by a company called Nashua, whose parent corporation of the same name is located in Nashua, New Hampshire, U.S.

The organisation has signed an agreement with Reed Paper and Board (U.K.) under which the latter takes the know-how and technical assistance for the production of the Nashua Carbonless paper at the Aylesford mill in Kent.

The U.K. end of the operation, which has its office at 12, Greycoat Place, London, S.W.1, says this paper stems from six years of research and development in the U.S.

It describes the outcome as "the only new chemically mated carbonless paper which is not an exact copy of other systems."

Apparently complex, the system is in reality quite simple. The coated-back sheets are intended to take the initial impression from a typewriter key or other "writing" device. Using a coated front-and-back sheet with a coated-front sheet a single copy can be made, but up to nine copies can be obtained with good results if the double coated sheets are interleaved in the required numbers.

The impression is produced when the dye which is contained in a lattice system, is released through pressure (from the blow of a print key) and mixes with the reactive clay on the sheet facing the lattice.

The paper is available in white, blue, yellow, green and pink and can be printed litho, letterpress and "crash."

Nashua estimates the market in Britain for these one-time writing papers at about £74m. with a growth rate of between 15 and 20 per cent.

Arrangements have been made to market through Howard Smith Papers and Inveresk Paper Merchants and the company hopes to capture some 20 per cent. of the market by 1975 which implies a £3m. turnover by then.

by either a mechanical or manually operated system allowing only one set of doors to be opened at any one time. Dimensions of the hatches are 1803 x 762 x 762 mm.

HATCHES for use where it is necessary to pass components from one room to another without loss of pressure in either are now being manufactured by Air Movement, of Dover Road, Northfleet, Kent.

They are made from high-density fibreboard faced on all surfaces with decorative melamine laminate and equipped with a set of doors at front and rear. The doors are controlled

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## ● ELECTRONICS

### Miniature cartridge rectifier

OFFERING high voltage-to-size ratio, a series of miniature high voltage cartridge rectifiers has been introduced by International Rectifier Company, Hurst Green, Oxford, Surrey.

Called the 5AV series, it covers a voltage range of 2 to 8.5 kV and is rated at 50 mA at 25 degrees C, within a package size of 10 mm. body length and 5 mm diameter. The voltage range is continued above 8 kV to 13 kV in a larger package size of body length 40 mm. and diameter 8 mm. This series is designated 4BV and is rated at 40 mA at 25 degrees C.

Both series are capable of operating up to 20 kHz into a resistive inductive load.

RECENT additions to the Mullard range of "2N" power transistors include types 2N344 and 2N4347. They are high voltage versions of the 2N344 and are suitable for use in high voltage amplifiers, converters, voltage regulators and power supplies.

The 2N344 has a current rating of 15A and a power rating of 117 W. With a collector-emitter voltage of 30 V it will conduct a direct current of 1.4A.

The 2N4347 has a current rating of 10A and a power rating of 100 W. With a collector-emitter voltage of 70 V it will pass a direct current of 1.5A. Both devices have TO-3 type encapsulations.

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## ● TRANSPORT

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One benefit of the system is that wheels can be changed quickly and easily without a jack. The suspension is lowered and then the axle is retained in this position by inserting a locking pin. The suspension is raised, this then comes clear of the ground.

More than 400 lubrication points on the chassis are serviced by a Tecplant automatic lubrication system. This, according to Mr. Malcolm Taylor, manager of King, ensures down time for maintenance is considerably reduced, an important feature on equipment of this type.

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### Iron-making process on-line

BLAST furnace control in a South African steelmaking plant is to be provided through a system built by the Automation Systems Division of Ferranti in an order worth over £120,000 placed by Ashmore Benson Pease and Co.

The system will go in at the ISCOR blast furnace plant at Vanderbijl Park, near Johannesburg. It is the second steel industry order won by Ferranti recently, following on from the system worth more than £350,000 which is to be installed for the same company at the British Steel Corporation's Anchor plant at Scunthorpe.

The ISCOR project will have an Argus computer with 24,576 words of 2-microsecond core

store and a disc backing store. Initially, it will perform straightforward data logging and alarm monitoring on the 10.1-metre hearth diameter blast furnace now under construction. It will handle 80 analogue and 1,900 digital inputs. Of these, 240 digital inputs are provided to interface to raw material weighing equipment thus enabling the Argus to maintain a "running total" of errors between desired weight and actual weight, and to take automatic compensatory action where necessary.

Monitoring of the burden program to ensure that raw materials are added to the furnace in the correct sequence, control and adjustment of coke moisture content, logging of events such as changes in set points and tap starts will be other tasks.

It is intended later to expand the Argus computer system to undertake full dynamic control in the first blast furnace—a significant step in this industry—and to carry out logging tasks on two other furnaces.

### Monitor for ship's engines

EQUIPMENT for monitoring important engine parameters and automatically shutting down equipment in the event of malfunction has been installed in HMNZS Canterbury, due to be commissioned next month.

Developed and manufactured by Teddington Autocontrols of Sunbury-on-Thames, Middlesex, the system monitors lubricating oil pressure, coolant temperature, fuel oil pressure and generator temperature. Operating limits can be set on each of these, and if they are exceeded, audible and visual alarms are given, and the engines automatically shut down to avoid damage.

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### Cheaper control tapes

CO-OPERATION between Wadkin of Leicester and Time Sharing has resulted in a programming system for machine tool control tapes that can greatly reduce the final cost to customers.

Basically the system, known as WADPATH, has been developed for use with the Wadkin three-axis machining centre for the heavy engineering industry, but it can be applied to machine tool control at all levels.

It is intended that the user of a machine tool be linked by a simple keyboard terminal to the Time Sharing PDP 10 machines, and will be able to type in job specification and have back in a matter of minutes a tape ready for using on the machine. The language to be used is Telcut, claimed to be simple enough to be used by engineers and other non-specialists in the data processing field.

According to the two companies, costs of tape preparation can be cut to between 50 and 33 per cent. of those prevailing with other systems. An example of this is quoted by Wadkin in the production of control tapes for a gearbox. Using manual methods this took eight days of preparation, understandable in normal terms since 36 tools were involved in the machining.

Using WADPATH (standing for Wadkin Automatic Remote Processor Actuated via Terminals) this was reduced to ten hours of planning and data preparation, followed by 50 minutes of terminal time. Finally, the complete control tape, containing 850 blocks, worked out at 1.37p per block.

### Air control in metric

SPECIFICATIONS in metric units to the SI system have been strictly adhered to in the design of air conditioning equipment in the Metricaire range from the Multivent Company of Blackhorse Lane, Walthamstow, London.

One of the economical features of the system is that the input relating to geometrical shape and feed and machine speeds is processed as it is received. When the tape is being run back to the terminal, any error that has been detected is signalled, so that the user can correct without having to scrap the valid parts of the tape.

Telcut is said to give a reduction of as much as 60 per cent. in the words needed to describe a job, cutting down transmission time while also reducing the risk of error. It is also claimed that the system is economical to use for machining tasks of a comparatively simple nature using as few as 40 blocks of instruction.

### Conduction controls levels

CLAIMING marked advantages in accuracy, reliability and cost for most applications, Electrical Control of Bush Fair, Harlow, Essex, has introduced the Fluidex range of liquid level controllers based on the principle of liquid conductivity. The system consequently has no moving parts or float switches.

The control unit is housed in a 5 x 8 cm internationally standard 11 pin plug-in module with sensitivity controlled from the top. Two or three probes can be used.

The circuitry is simple and all solid state with particular emphasis placed on the protection of the units against line transients and fluctuations. It incorporates suppression components to prevent false tripping of the output.

### Trailer for many loads

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One benefit of the system is that wheels can be changed quickly and easily without a jack. The suspension is lowered and then the axle is retained in this position by inserting a locking pin. The suspension is raised, this then comes clear of the ground.

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## NEW ISSUE

All of these bonds have been sold. This announcement appears as a matter of record only.

## DM 80,000,000.— CITY OF JOHANNESBURG

(City Council of the Municipality of Johannesburg)

Bearer Bonds of the  
8% Deutsche Mark Loan of 1971  
Unconditionally Guaranteed by the  
REPUBLIC OF SOUTH AFRICA

BERLINER HANDELS-GESELLSCHAFT  
— FRANKFURTER BANK —  
CREDIT COMMERCIAL DE FRANCE

DEUTSCHE BANK  
Aktiengesellschaft

DRESDNER BANK  
Aktiengesellschaft  
WHITE, WELD & CO.  
Limited

ALGEMENE BANK NEDERLAND N.V.

ARNHOLD AND S. BLEICHROEDER, INC.

BANK MEES & HOPE NV

BANQUE FRANCAISE DE DEPOTS  
ET DE TITRES

BANQUE INTERNATIONALE  
A LUXEMBOURG S.A.

BANQUE DE NEUFVILLE  
SCHUMBERGER, MALLET

BANQUE ROTHSCHILD

H. ALBERT DE BARY & CO. N.V.

BERLINER BANK

CAPITALFIN INTERNATIONAL

COLEGRAVE & CO.

COMPAGNIE LUXEMBOURGEOISE  
DE BANQUE S.A.

CREDIT SUISSE (BAHAMAS)

DELBRÜCK & CO.

DEUTSCHE LÄNDERBANK

# Building and Civil Engineering

## Plastics forge ahead

## £100m. plan takes shape

APPLICATIONS of plastics to building problems are multiplying and the latest announcement to come from a major manufacturer was held for the current BASF unveiled a building system conceived by the Berlin architects' team of Schueler and Witte.

is made up from prefabricated steel and concrete units. Walling is carried out with light and easily installed plastic sandwich units which can be arranged to execute any design though there are only a few basic forms. It follows that living accommodation, for instance, can be quickly adapted to meet changes in requirements or taste. The system is suitable also for hospitals, hotels, schools and so on.

The outer skin is a vinyl material while the core can be a cellular version of styrene, polyethylene or polyurethane. Meanwhile, in November, Celanese Building Components will be displaying new waste systems made of copper-coloured polypropylene materials at the International Building Exhibition, Olympia.

Two sizes—14 and 14 inch diameter—will be added to the Series Ten range and both will be of push-fit design. This does not mean that the existing systems with nut and cone joints will be superseded.

Simplicity of assembly with these new systems means a great speed-up in plumbing line assembly.

The Evelyn Estate is the first stage of the redevelopment side of the operation, and the main contractor here is Cruden. The Evelyn contract is worth £3.4m. and the estate, which uses the "Skarne" industrialised building system comprises 842 dwellings with five shops, a branch estate office, community centre, multi-storey car park, the play-group buildings and a children's home.

Cruden is also building a 60-bed old people's home which is nearing completion, and it has a £4.3m. contract for the Milton Court Road Estate, which will provide 1,116 dwellings, again using the "Skarne" system. The same system will be used for the Rolt Street development consisting of 116 dwellings.

Although the Deptford scheme has a long way to go yet, it is already apparent that the decision to look at the area as a whole was right. If the redevelopment had been done piecemeal, with no overall plan, integration of old and new would have been impossible.

REMOVAL of about 1.18m. cubic yards of earth on the Aberdare and Llanaroy (Neath, by-pass) A465 improvement scheme was started last week by M. C. Peirce, who requires high road speed (over 50 m.p.h.) or a compact cross-country digger/breaker unit.

The digger arm has 300 degrees powered slew plus 120 degrees offset, a maximum reach of 15 feet 10 inches, maximum digging depth of 9 feet and a maximum discharge height of 12 feet.

The contract is worth £850,000 and is expected to take two years to complete. Main contractor for this project is Sydney Green (C.E.).

## Speedy digging and breaking

## Moving the earth in Wales

LAND ROVER incorporating a McConnell Power Arm 44 back hoe and a Hydrolite hydraulic road breaker is available from Aldridge, London Road, High Wycombe, Bucks.

Known as the Harrier, the equipment is intended for gas, water, electricity and public works contractors, or anywhere that requires high road speed (over 50 m.p.h.) or a compact cross-country digger/breaker unit.

The digger arm has 300 degrees powered slew plus 120 degrees offset, a maximum reach of 15 feet 10 inches, maximum digging depth of 9 feet and a maximum discharge height of 12 feet.

The contract is worth £850,000 and is expected to take two years to complete. Main contractor for this project is Sydney Green (C.E.).

## Brilliant light for a port

PROBABLY the fastest growing container port in the U.K., Felixstowe, is currently involved in a major expansion of its facilities, developing new tracts of land for extensions to the container terminal area, roll-on and roll-off terminals, warehouses and transit sheds.

One of the most important considerations for all-light working throughout the week—where the automatic cranes are often operating at turn-round speeds of over 30 containers per hour—is to ensure that first-class illumination of the entire area is provided.

Towermaster Steelwork of Braintree, is in process of setting up 14 towers, each 92 feet high. Each tower will be fitted with 34 Benjamin Focast standard floodlights.

## £1½m. homes scheme

THE Sutton Dwellings Trust has signed a £1½m. two-year phased handover contract with Sellen Nicholls Williams (ECC) a member of the English China Clays group, for the erection of 344 low rise dwellings on a 19-acre site at Glascoote, Tamworth. The site will be designed for occupation by disabled persons.

The scheme has been designed by T. P. Bennett and Son and the contractor will be Sir Alfred McAlpine and Son.

## Factory in N. Ireland

THE Ministry of Commerce for Northern Ireland has awarded Gilbert Ash (Bovis Group) a £416,000 contract for a factory at Monkstown.

It will be a 250-foot-long single-storey production block with a two-storey office block at one end and a single-storey canteen and kitchen block at the other. Architects are Samuel Stevenson and Sons of Belfast.

SHEPHERD Construction has started work on an office block at Cliftonville, Northampton, for the Northampton Development Corporation. A two-storey office building is called for with a floor area of 71,056 square feet, having reinforced concrete column foundations and ground slab and a precast concrete frame. Attached will be a single-storey restaurant and a two-storey services building. Cost of the project is £866,000.



## a concrete plan for Britain's roads

Following the publication of the Road Research Laboratory's Report LR 256 on the cost of constructing and maintaining flexible and concrete roads over 50 years, the Minister of Transport directs that at least 20% of all motorway and trunk roads should be in concrete.

## the reinforced concrete road

cuts maintenance costs  
cuts traffic delays  
costs no more to build



## Laing's £3½m. job

A SHOPPING centre for Sutton Coldfield, Warwickshire, is being built by John Laing Construction under a £3½m. contract awarded by the United Kingdom Temperance and General Provident Institution. Completion is expected by June 1974.

The scheme will include 77 shops and buildings for two supermarkets and major multiple stores. There will also be 10,000 square feet of office space provided on two floors and a multi-storey car park to take up to 1,000 vehicles.

Covering nearly eight acres, the shopping centre will be constructed between Sutton Park and The Parade, where the old shops have been demolished to make way for the new development. A large number of the shops—all at ground-floor level with upper floors—will front on to The Parade, where malls will give access to other shops contained in the inner part of the traffic-free shopping centre. Here there will be three courts with trees and flower beds.

Delivery vehicles will have access to air-conditioned basement loading bays by an underground service road. This will have underfloor heating, in common with the car park ramps, to prevent sidding during icy weather.

The architects are Harry W. Weedon and Partners of Birmingham.

## Projects in Nice and Congo

CONTRACTS are now being prepared for an £8½m. project in Nice designed by Mottram Consultants and M. Plan Co. The scheme involves diversion of a river, and a three-level underground car park over which there will be an exhibition hall and, above the latter, a 10-bedroom hotel.

Another big project for which Mottram Consultants and M. Plan Co. are working is the design, construction and equipment for a hotel and a 33,000 square foot store for the city of Kinshasa. This scheme is valued at about \$18m.

Each set of which is valued at about \$18m. The two firms have signed contracts covering the design, construction and equipment for a hotel and a 33,000 square foot store for the city of Kinshasa. This scheme is valued at about \$18m.

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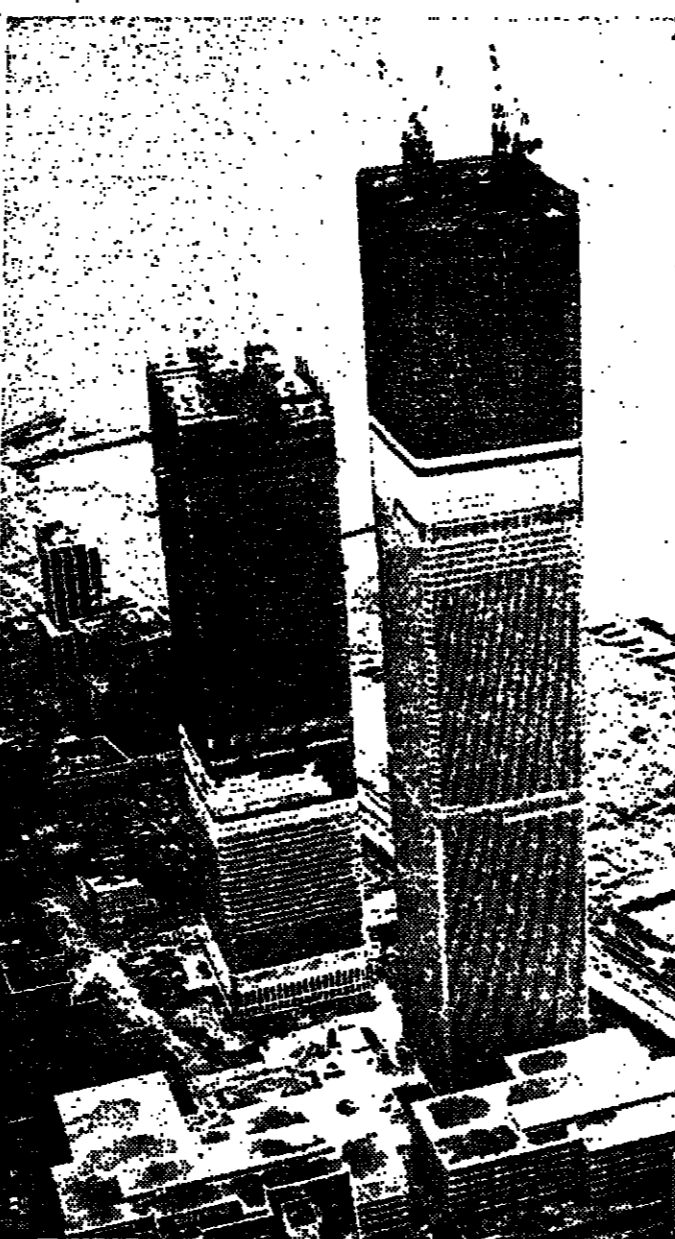
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AWARDED the mention "Outstanding Civil Engineering Achievement for 1971" by the American Society of Civil Engineers, the twin towers of the Fort of New York Authority's World Trade Centre soar 1,350 feet into the Manhattan skyline. Providing vast modern facilities for the handling of U.S. international trade, this enormous office complex should be completed in 1973 though tenants began to move in nearly a year ago.

First steel for the north tower was placed in August 1968; work on the south tower began six months later. Four low-rise buildings go to complete the complex which will have cost \$650m. by the time it is finished.

Problems of heating, ventilating, cooling and supplying other services to the "vertical town" are formidable and are to be tackled by computer control. More than 200 air-handling systems will be pumping 1m. cubic feet of conditioned air through the building every minute and the specification is that from a central console, the control engineer will be able to operate any one of these systems at a touch of a button, depending on information gathered on external conditions from four points at different altitudes, but also summated data from 6,500 sensors watching over important variables.

The whole system is built around some £3m. worth of equipment from Honeywell which will have a data centre installation in the fourth basement of the complex.

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## Powerful aids to designers

LOUGHBOROUGH University of Technology has announced that the civil engineering programme suite code-named "Genesys" is working on the University's ICL 1904A computer as well as the big CDC 6600 at SLA in London.

The master program in Genesys is intended solely to control a library of problem-solving programs known as sub-systems. It organises within a computer all the information presented by the engineer whatever sub-system is being used.

The suite will be a major boon to designers because of the speed with which it permits otherwise tedious detailed handwork to be carried out.

Initially, there will be five sub-systems. One of these will design and detail reinforced concrete buildings constructed from slabs, beams or columns. Calculations are taken right through to the detailing of the reinforcement. This is known as RC-Building/1.

Frame-Analysis/1 looks at two or three-dimensional structures composed from straight members. Many types of load, settlement or temperature effects can be applied.

Bridge/1 analyses bridges that can be considered as continuous beams of varying sections with rigid or elastic supports. Various effects can be applied and bending moments or shear forces can be printed out as well as many other experimental results.

Wide bridges composed of slabs and beams of rectangular, skewed, circular or arbitrary plan form can be handled by Slab-Bridge/1. Reactions, bending moments and reinforcement details are the output. Finally Highway/1 will, as it suggests be used to calculate quantities and setting-out data.

The Centre is offering membership and buy-out services as required and further details of the support it can give the civil engineer are available from the Centre at Loughborough.

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# Commercial Motors

FINANCIAL TIMES SURVEY

## EEC membership can help British firms

By JAMES ENSOR, Motor Industry Correspondent

The British commercial leadership in the medium van vehicle industry should gain market which should lead to a more than almost any other healthy increase in sales within the Common Market once the Common Market opens. The Ford holds 19 per cent of the business. The Bedford CF are offered in a range of options of size, door style and engine which Continental producer can yet match. Since the medium van is essentially a work-horse, this round of tariff cuts, as a result of which they still carry a punitive import duty into the Common Market, which has made it very hard to increase sales except by assembly inside the tariff wall.

With the exception of Leyland and Ford are each sub-Daimler-Benz and Fiat, most of the European truck producers are small specialists, relatively dependent on their home markets. Many of them, such as Magirus-Deutz, MAN and Berliet, have a high reputation for making powerful articulated tractor units and heavy trucks for long distance haulage, but few can match Ford or Leyland in price terms, because their production runs are so small.

### Home output

Total British output of heavy trucks (of over 16 tons gross vehicle weight) is twice as large as the French and three times as large as the Italian. Only the German industry, which produces roughly the equivalent of three-quarters of the British output, compares in scope and efficiency.

In the important medium truck market, where Ford and Bedford are strongest, British production is almost twice as large as the German, while the French and Italian output of medium trucks is hardly significant. Only in the light commercial and van market, where Renault and Volkswagen are major producers, does Continental competition appear strong—at least numerically. But Ford and Bedford have a design, Berliet still holds on to 30 per

### Biggest impact

It is in the medium truck market that the British producers are likely to make their biggest initial impact. Bedford is already selling quite strongly in Belgium and has a useful 1.5 per cent share of the French medium and heavy truck market. Ford, Bedford and Chrysler, with their American approach to product design, have developed a slightly different type of truck from those of most of the European manufacturers. Mercedes, Fiat, and still more the Swedish manufacturers Scania and Volvo, have concentrated on highly engineered expensive trucks of the type built by Leyland, ERF or Atkinson in Britain. The three American companies, whose European truck plants are all situated in Britain, have developed a line of cheaper, less powerful trucks which are aimed more at the general transport market and less at the long-haul business where trucks must withstand long hours of continuous pounding on motorways.

None of the Continental producers has yet had to face the full effect of competition from Ford and Bedford trucks in its home market, because the tariff has proved an effective barrier despite the small amount of Continental assembly of British trucks. The Continental medium trucks tend to be much more expensive than the British, because of the shrewder value-engineering of Ford and Bedford, so that these companies should have a real opportunity within the Common Market.

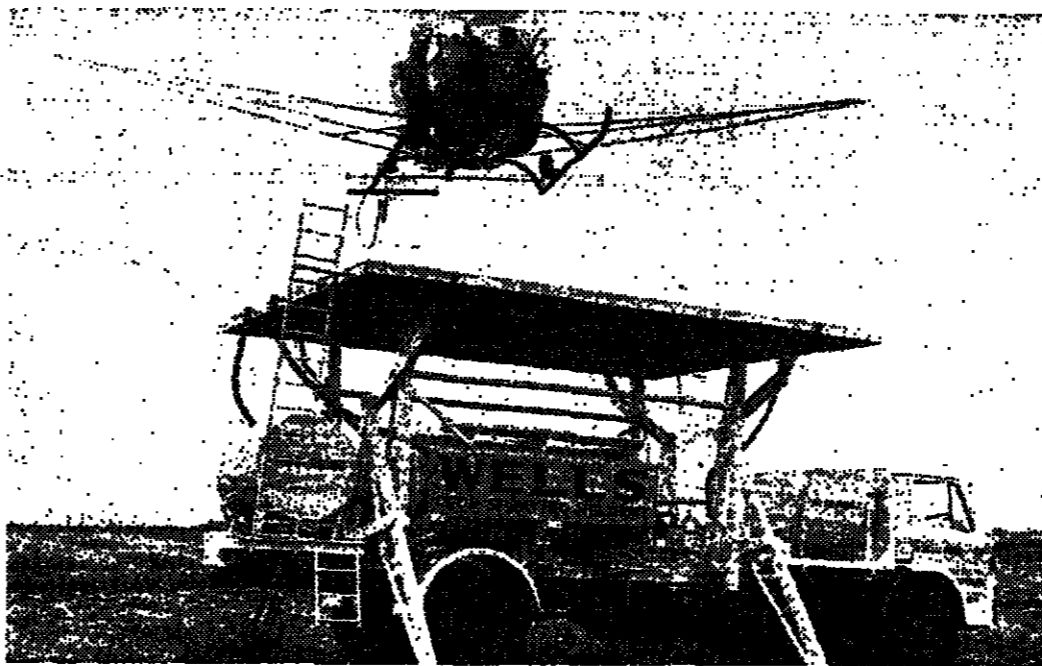
### Belgian operations

Leyland's medium truck line, which is primarily the ex-BMC trucks built at the Bathgate plant, has lost ground to Ford and Bedford in the past few years. The BMC trucks were too unreliable and too poorly serviced to match the Ford range, but Leyland has substantially re-engineered the range and put them all under the Leyland badge.

Assembly in Belgium started this year and will build up to a

substantial volume by 1975. At the Japanese. Other major markets are in countries like Nigeria, Turkey and Pakistan, where the requirement is for a rugged, unsophisticated truck that can stand up to hard driving on rough roads. The Leyland and Bedford medium and heavy trucks have proved ideally suited to such conditions.

The biggest European market for British trucks, Denmark, is only the fourth largest export market, while Belgium, which ranks second in Europe, buys only as many British trucks as Pakistan. Clearly the requirements of a bacon producer in Denmark, or a Belgian beer producer, are very different from those of a road-building concern in Pakistan. Some of the British trucks will have to be re-engineered with more sophisticated driver comforts, higher



Commercial vehicles have thousands of different functions. This truck has been converted into a mobile heliport used in conjunction with a crop spraying helicopter in Lancashire.

power-to-weight ratios for European motorway running, and other changes to suit the new requirements. But since truck manufacturing, unlike car production, is still largely a matter of assembling a kit of parts to individual customer requirement, this should present no major problems.

If the British producers see a golden opportunity in Europe, the converse is also true. Several European truck manufacturers have been stepping up their operations in Britain and several of the smaller American truck specialists have been looking around for suitable buyers among the small British specialists.

### Effect on U.S.

The lure of Europe has begun to reach the American specialist producers, too. White, Mack and International Harvester occupy roughly the same position in the U.S. market compared to Ford and GM as Leyland or Foden in Britain. International started to manufacture in Europe, but introduced the wrong product—a long-nosed American style truck—which was regarded as outmoded by European operators. Some of the others have been looking around the smaller European independents for a way to buy themselves into Europe—but they seem to have left matters too late. It looks as though Leyland and Mercedes will prevent them from establishing themselves in any substantial way in Europe.

So the European truck market will remain a battleground between the three European heavy truck groups, the Swedes—who have already established assembly operations in Belgium—and the American middle-weight producers. Although any prediction is dangerous, it looks as though the British-based manufacturers will get the best of the business eventually.

The only other significant market where importers have

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Powered by the well-proven 466 cu in diesel—now fitted with the new rotary DPA pump, and developing more power at lower revs for increased life.

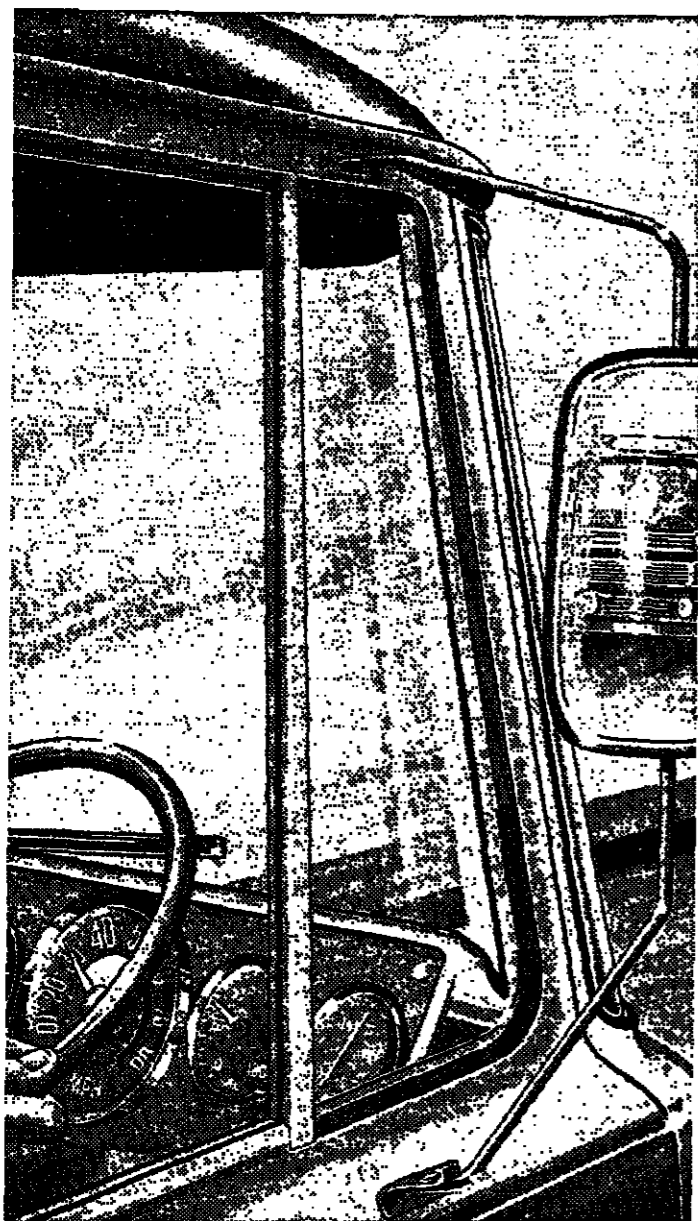
Reliability and safety are built into the completely duplicated air braking system. The primary air circuit operates by piston action, the secondary circuit through diaphragm action—entirely independently. Full braking is obtained with a minimum of effort.

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## How they get the measure of the road

It's easy enough to take life on the road for granted—if you're not a commercial driver yourself. But imagine you're the one subject to the stresses and strains of country-wide heavyweight hauls. It's for your benefit that Smiths Industries provide instruments that are the very best as far as readability, accuracy and reliability are concerned. Provide heating and ventilation equipment that all adds up to a comfortable working environment.

Smiths Industries are developing new instruments, giving information relating to every aspect of a vehicle performance. These include axle load measuring equipment, and tachographs, which help fleet management to improve vehicle efficiency—as well as meeting future legislation requirements.

But it's not only for commercial vehicles that Smiths Industries perform such a vital function. In the majority of cars on the road today you'll find Smiths instruments doing everyday, taken-for-granted jobs. With the kind of efficiency you should take for granted—because they're made by Smiths Industries. The best that expertise can provide...

**SMITHS INDUSTRIES LIMITED**

It's no good burying your head in the tarmac. Every unweighed vehicle you've got on the road at this moment stands an increasing chance of being caught with an excess axle loading.

Here's your chance to do something about it. The new Hawker Siddeley axle weigher is a purpose built unit that will give you fast, low-cost axle weighing. With no springs, balances or external power supplies, this is a compact, self-contained unit that is easy to install and easy to maintain... and weighing is as easy as driving onto a traffic control pad.

Applied loads are instantly read off a large diameter dial calibrated in English and metric units. The dial can be mounted in any convenient

place up to 20 feet away... allowing the driver to check his axle weight without leaving his cab. Indication is deadbeat, accuracy  $\pm 1\%$  f.s.d. Weight is indicated while the vehicle is on the weigher.

The axle weigher is based on the proven Hawker Siddeley hydrostatic load cell. Except for the dial pointer, there are no moving parts—nothing to go wrong. Rain, dust, grit, oil and petrol can't harm it. Nor rough treatment.

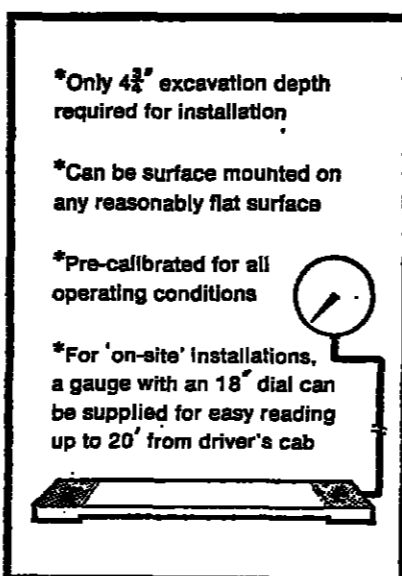
**For on-the-spot checks.** Use the portable Hawker Siddeley checkweigher. Operates on the same hydrostatic principle as the Axle Weigher. Checks the wheel-loading accurately, anywhere.

\*Only 4½" excavation depth required for installation

\*Can be surface mounted on any reasonably flat surface

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## COMMERCIAL MOTORS II

# Gloomy picture at home

By JAMES ENSOR

The British truck industry has had a poor time during 1971. Like most other investment goods industries, the truckmakers have suffered from a cut in industrial spending this year. Companies have been cutting back their budgets all round and the transport budget has suffered along with advertising, computer-buying, machine-tool purchases and everything else.

The impact has been most noticeable in the medium-weight truck market but it has affected every sector of the working vehicle business to some extent. Heavy truck sales have held up comparatively well, but they have not shown the growth that might have been expected as more operators trade up to larger vehicles. The continued uncertainty about Government policy on maximum weights, axle loadings and spacing which has been a feature of the industry for almost three years now has clearly persuaded some operators to postpone purchases until the Department of the Environment publishes its standards.

The van and the light commercial market, which traditionally responds to the degree of profitability and optimism among retail traders has also been substantially down.

To complete a sorry picture, both home and export demand for tractors is poor, following the change in tax allowances for British buyers and poor farm incomes in several export markets. The bus business, has held firm, so far, as transport authorities convert to one-man operated buses, but the severe drop in bus-passenger traffic in some cities and the weak financial situation of many operators suggests that it may not be long before demand falls here, too.

The Department of the Environment's new policy on truck traffic has not been taken well by some of the truck manufacturers. The noise regulations, although apparently only a minor tightening of the allowance, when measured in decibels, have presented some serious technical problems for manufacturers. Leyland has withdrawn its V-8 engine from production so that modifications can be made to reduce its noise level and smoke emission. Several other manufacturers implementing proposed new laws find it difficult to meet

the dual test of noise and smoke regulations and the new minimum power-to-weight ratio of six bhp per ton. The Perkins engine, for instance, can meet either ratio independently but Chrysler engineers have found it difficult to match both requirements simultaneously.

### Deep convictions

It seems clear that Mr. Peter Walker is taking the "environmental" aspect of his Ministry very seriously. He is a man who holds genuinely deep convictions on the subject and is unlikely to be swayed by the lobbying of any industry. In the matter of the maximum permitted weights of heavy trucks, he undoubtedly has the weight of ordinary public opinion behind him. The commercial vehicle industry may have done itself a disservice by not being more conscious of the public relations effort needed to soften the public's well-rooted dislike of heavy trucks. Inflamed by poorly informed newspaper articles warning of "the menace of the juggernaut" opinion has swung solidly behind Mr. Walker's decision to stay with the present maximum limit of 32 tons.

Obviously this raises transport costs, since costs diminish

steadily with the increase in the size of a truck. Equally it will make it more difficult for the commercial vehicle industry to export to Europe where 38 or even 42 tonners are the standard long-distance haulers in many countries.

It seems most unlikely that the Government will change its mind in the foreseeable future. The British transport industry will have to face up to the handicap of using 32-ton trucks despite the fact that the rest of the Common Market may standardise on 38-ton trucks. A certain easing of the restrictive axle load and length clauses may make it easier to carry certain types of load more economically, but there seems little likelihood of any break in the weight restriction.

Many engineers in the commercial vehicle industry have made the point that heavier loads could be carried without any detriment to the environment, by maintaining present noise and axle-loading requirements but relaxing the gross weight restriction. This eminently sensible plan, however, misses the hard fact that heavy vehicles on the roads have become a political issue and that most politicians and the majority of the public equate

noise, smoke and vibration with gross weight.

Since the industry already exports heavier trucks to the developing countries and to Australia and South Africa, it will have little difficulty in developing a dual manufacturing position with medium weight tractors and rigid vehicles for the British markets and the real heavies for export to Western Europe and the overseas markets. Clearly its position would be strengthened and its prices reduced if it could build up a substantial domestic volume for 38 or 42 tonners as well. But if this is not permitted, at least the industry has the consolation that hauliers will have to buy more 32 tonners to carry a given transport load than 38 tonners.

### Heavy trucks

The market for heavy trucks should begin to recover by next year as the economic stimulus given to the economy in Mr. Barber's mini-budget begins to take effect. By then, too, the precise nature of the Department of the Environment's regulations will be clear, so that operators will be able to specify the most economic design permissible. There is unlikely to be any earlier pick up in demand since most of the

heavy truck buyers are own-account operators who establish their transport buying plans in annual budgets.

The medium-truck market which has declined more sharply and has caused some of the redundancies and short time working at Leyland's Baffgate and Chrysler's Dunstable plants, seems to have more deep-rooted problems. The smaller operators who buy the bulk of these vehicles seem to have been worse hit financially by the recession in the economy than the oil companies, supermarket groups and car-delivery companies who buy the heavier vehicles. The fact that drivers of trucks of over 34 tons gross now need a full heavy vehicle licence has persuaded some operators to buy lighter trucks and others to buy heavier ones since there is no longer any economic advantage in running a 5-ton truck.

The problems faced by the specialists, apparent in Foden's short-time working and redundancies, probably stem almost as

much from the competition from Scania and Volvo as from the decline in the heavy vehicle sector. The specialists have traditionally maintained a close relationship with some of the high mileage operators who value the rugged reliability of the Gardner-engined trucks. But these customers are exactly the type which Scania and Volvo have been attracting. Imports of heavy trucks increased from 360 in the first quarter of 1970 to over 500 in the first quarter of 1971. Entry to the Common Market would obviously lead to an increase in the efforts of the smaller Continental truck producers such as DAF and MAN which have only recently started to sell in Britain. Their competition is likely to hit the heavy truck producers and particularly the specialists who have been able to survive despite high production costs because of their ability to tailor their products to particular demands. With a growing weight competition, Continental competition, their niche may become smaller.

## Legislating for Europe

By TONY WILDING, Chief Engineer, Freight Transport Association

The British transport industry has been inundated with new regulations for the past five years. Most have been concerned with safety and few would argue against these being justified. What can be argued against though is that regulations have become over-complicated making it easy to be outside the law without being aware of it. And, of more importance, delays in several other manufacturers implementing proposed new laws breeds uncertainties in

both manufacturing and operating sides of the industry.

With the possibility of Britain joining the Common Market a near certainty, the natural question can be "is there to be a further round of new legislation?" From what has already happened in the existing Common Market the answer would appear to be in the negative. But one cannot be dogmatic on this point. As European countries come closer together there could be more of a tendency for recommendations of "the Commission"—the Common Market Civil Service—to be taken more seriously.

It would be stupid to ignore the possibility of unified legislation throughout the Continent even though big differences exist now. This mainly applies to maximum gross weights. Dimensional legislation is already common with 11 metres the maximum length for rigid trucks, 15 metres for articulated vehicles and 18 metres for truck-and-trailer combinations and so on as here in Britain. But in weights France and Belgium limit their heaviest vehicles to 35 metric tons (with a 13-ton axle limit) and Germany has 38 tons (with a 10-ton axle limit as almost everywhere else in Europe). The Dutch limit their gross weight according to the tonnage applied to the most loaded axle—the gross can be 50 tons—while in Italy the articulated maximum is 32 tons (as in Britain) but with a maximum rigid-truck limit of 22 tons (with four axles), an eight-wheel towing vehicle and an eight-wheel drawbar trailer can gross 44 tons.

### Gross weights

It is interesting that while Italy has one of the highest gross weights for combinations it has the lowest for solo rigs. And while we in Britain may have grounds for complaint at the Government keeping the U.K. limits at a relatively low level, the Italians have more as there have been pressures and half-agreed plans for increases to bring parity with the rest of the Common Market for at least the past six years.

At various times in the past international meetings have put forward plans for unified weight legislation. Most are now outdated with the development of containerisation and the need to transport on road—at least at the start and finish of the load movement—of ISO standard 40-foot containers weighing up to 30 tons. To meet all the requirements of safety, adequate engine power and so on articulated vehicles to carry such a weight will weigh at least 14 tons empty, hence the plea for a 44-ton maximum gross weight—or 45 metric tons which has been talked about in other European countries.

Economic transport of containers is hampered by the refusal to accept that this weight is feasible without harming the environment and now the Commission of the Common Market has put forward 42 metric tons as a standard maximum with an 11.5-ton (compromise) axle weight limit.

Such a figure is impractical especially when vehicle unladen weights can be expected to go even higher than they were expected to be with prospective legislation. In Britain we will need engines giving a power-to-weight ratio of 6 bhp per ton gross weight when proposed legislation is implemented. In Germany the figure is 8 bhp per ton for vehicles up to 32 tons now and for all including 38 tons from the end of this year. It can be expected that the whole of Europe will follow suit eventually—and 336 bhp engines and transmissions to go with them are no lightweight.

Noise and exhaust emission will also be restricted severely and while this will affect weight only marginally it is not going to make for a reduction. Neither will legislation be expected aimed at improving safety standards even more. Already, the Commission has issued a directive detailing a code of practice for some aspects of vehicle design that all Common Market countries ought to adopt, it specifies design standards for brakes in particular.

Continued on next page

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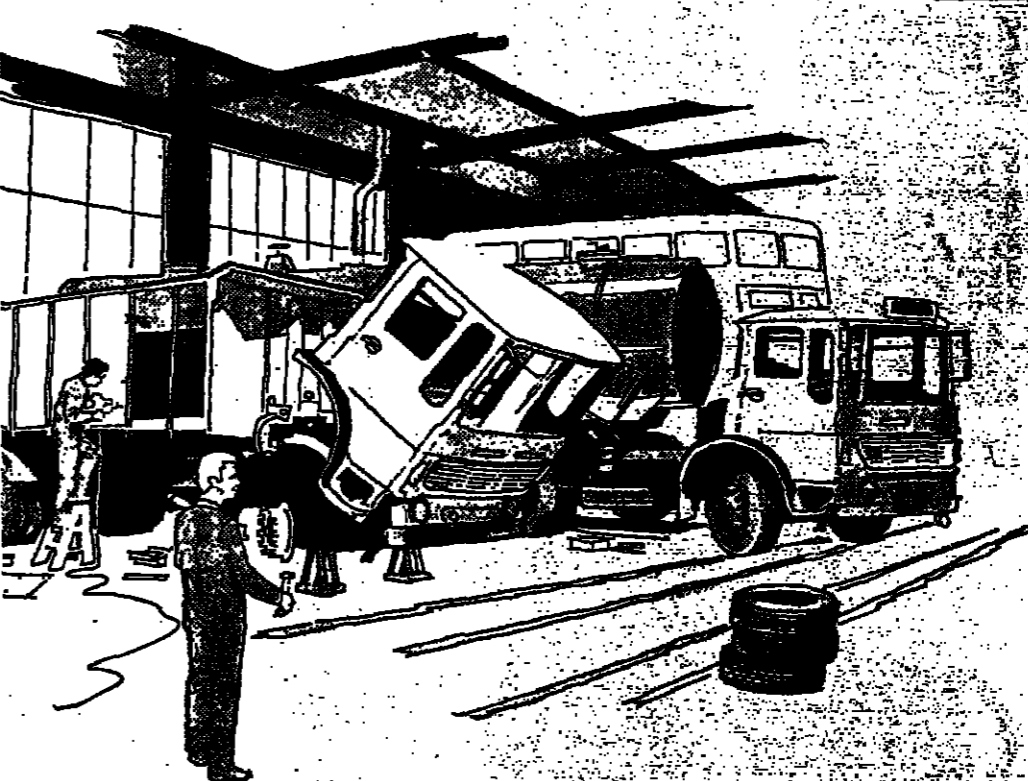
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## COMMERCIAL MOTORS III

# Help for the driver

By JACK HAY

With some 60 per cent. of his time on the road the greater is the cost to the operator, which must be reflected in delivery charges, and, so, ultimately in the cost of the goods.

The British Motor Industry Research Association has undertaken a close examination of the ergonomics in driver comfort and instrument layout with commercial vehicles.

In 1964 Leyland introduced the "Ergonomic" cab. Before then the design of the cab was exclusively an engineering function. But it had become apparent that driver comfort led to operating efficiency. At the same time Guy Motors, then a subsidiary of Jaguar Cars, but now part of the British Leyland Truck and Bus Division, were also introducing a new model range with a cab interior which owed much to Jaguar influence.

Both designs had internal similarities—insulation, heater/demister units, deep wind screens for an improved angle of vision. There was easier access to the cab, and Leyland introduced a tilt mechanism to give better facilities for servicing the engine and major components.

Leyland followed this up with a semi-automatic transmission for the 32-ton tractor. The elimination of the clutch pedal eased the driver's load by reducing the requirements to exert a 60-pound pressure at every gear change. Recent reports in fact have suggested that a normal car driver using a manual gear change driving to and from work is using sufficient energy to have worked five hours longer than a driver with automatic transmission.

Virtually every car driver has had the experience of seeing in his rear mirror a heavy lorry closing up on him on the approach to a hill. The lorry driver is not being bitchy. It is just the simple fact that having on a long straight worked his way through the gear box, he wants to have as good a run at the hill as possible to avoid changing down and having to work his way through the box again.

The major drawback with most semi-automatic or automatic transmissions, which the drivers would like, is cost. And the road transport industry is cost conscious.

Noise level, seat comfort, and instrumentation are all now subject of close scientific study.

Mercedes-Benz claim that devices which are a by-product of space technology are employed in a new type of lorry test rig in their Stuttgart laboratory.

Called the "hydropulsor," the rig transmits simulated road shocks to the lorry cab through huge hydraulic cylinders attached to the cab's normal mounting points. The shocks, initially recorded on magnetic tape, are "played back" in the form of movements of the hydraulic cylinders. The lorry can be "driven" over a smooth road, made to roll, or "driven" over a cobbled road. Mercedes claim that tests which would take months of work for factory test drivers, can be undertaken in a few hundred hours.

### Vibration tests

Vibration tests are also carried out on lorry drivers' seats, using specially made lead plates contoured to the shape of the human body, and corresponding to the weight of an average driver.

Just as a tyre is the main contact of the vehicle with the road, so is the seat the main point of contact of the driver with the vehicle. The widest possible degree of adjustment should be available; not every driver likes the same position.

Bedford claim a "natural, comfortable driving position," with infinitely variable seat height adjustment. Seat upholstery is in perforated panels to give ventilation and air circulation.

The commercial vehicle of today must be designed not only from the operators' point of view—that is to give the best return for the capital outlay and running costs—but also from that of the driver. An operator who runs vehicles which drivers do not like, runs out of drivers. A commercial vehicle is a money-earning machine; to earn that money there must be someone at the driving seat. Like all human beings, commercial vehicle drivers come in all shapes and sizes, and more than one driver handles the vehicle.

A car driver can choose a vehicle which suits his own shape and size; the commercial vehicle cab must be designed to fit any driver.

One operator out of Immingham used one truck for a journey to Wales. It was handled by three men. One man drove it to Cardiff. There a Welsh driver took over and delivered the load, returning to Cardiff where the first driver, having rested took over and returned to Immingham. The vehicle was serviced, re-loaded, and the third driver went back to Cardiff. Each driver had to have comfort.

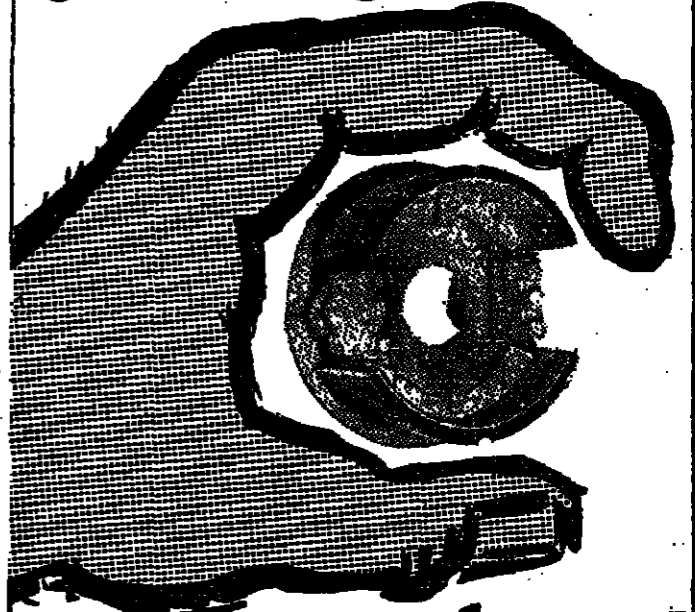
So far, full automatic transmission is not used on heavy commercial vehicles, although it is in use in a variety of smaller commercials.

One of the problems of modern living is noise from road traffic. Legislation controls the noise produced from road vehicles—engine exhaust and air intake, engine cooling fan, and tyres, as well as noise emission directly from the surfaces of the engine.

It has been estimated that a heavy goods vehicle travelling with the engine switched off still emanates a high degree of noise. Much noise, of course, is left behind, but a driver can still suffer if he has a noisy engine.

Diesel engines are used in most commercial vehicles, and the reduction of noise levels in these has been part of the research into such engines. CAV studies have shown that controlling the rate of fuel injection to restrict the initial pressure rise following ignition of the fuel charge affords reduction in noise, but with some future.

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The widely acclaimed cab design of the Ford Transit. This 1971 model also includes face-level ventilation and an improved facia crash-pad.

## Legislation—(Cont'd.)

Continued from previous page

As time goes on European legislation in general will demand more sophisticated, stronger, safer and heavier goods vehicles. They are also going to cost more to buy and operate. If weights do not go up, realistic figures road transport is going to cost more.

Perhaps this is looked upon as a good thing in countries such as Germany where help for ailing railways is considered much more important than keeping going to cost more to buy and consumer costs to a minimum. In most of Europe there is a need for higher gross weight limits so that road transport costs are held at their present levels. This country must follow the pattern, most certainly when Britain is in the Common Market. Even if it were practicable to clamp down on vehicles coming into this country now with the same (higher) weights applicable in their own countries, British international operation would be at a disadvantage as the bulk of any mileage must be on the other side of the Channel.

And if there were strict enforcement of our limits on the Continentals coming here it is easier to arrange delivery of load pulled off than organise extra load to make up to Continental limits once the British truck is on the mainland of the Continent.

Some people are afraid of the effect of heavier trucks on the environment. Even Government Ministers confuse weight with size but the only size change mentioned has been 9 inches on the maximum length of 49 feet odd. Why should there be talk of "larger units"? Vehicle box dimensions need not change.

Annual increases in growth of the economy are important and this will mean more goods to transport. Road transport will maintain its lion's share of 80 per cent. or more—no other mode can do the job as efficiently or cheaply. So there must be an increase in the size of the "national road-vehicle fleet."

Allowing heavier vehicles would mean that a specific amount of goods can be moved without increasing the number of vehicles operated. There could be an improvement in the environment then, especially as such heavier vehicles will have to be quieter and produce cleaner exhausts than now as well as being safer. Surprising as it may be to the "environmentalists" there is no transport Parkinson's law which says that the amount of goods to be transported increases in direct proportion to the capacity of the vehicles available to carry them. The deciding factor is the requirement of the population. If 1m. tons needs 50,000 vehicle journeys with the application of a weight limit permitting 20-ton loads, there would be 10,000 journeys fewer with a 24-ton payload possibility.

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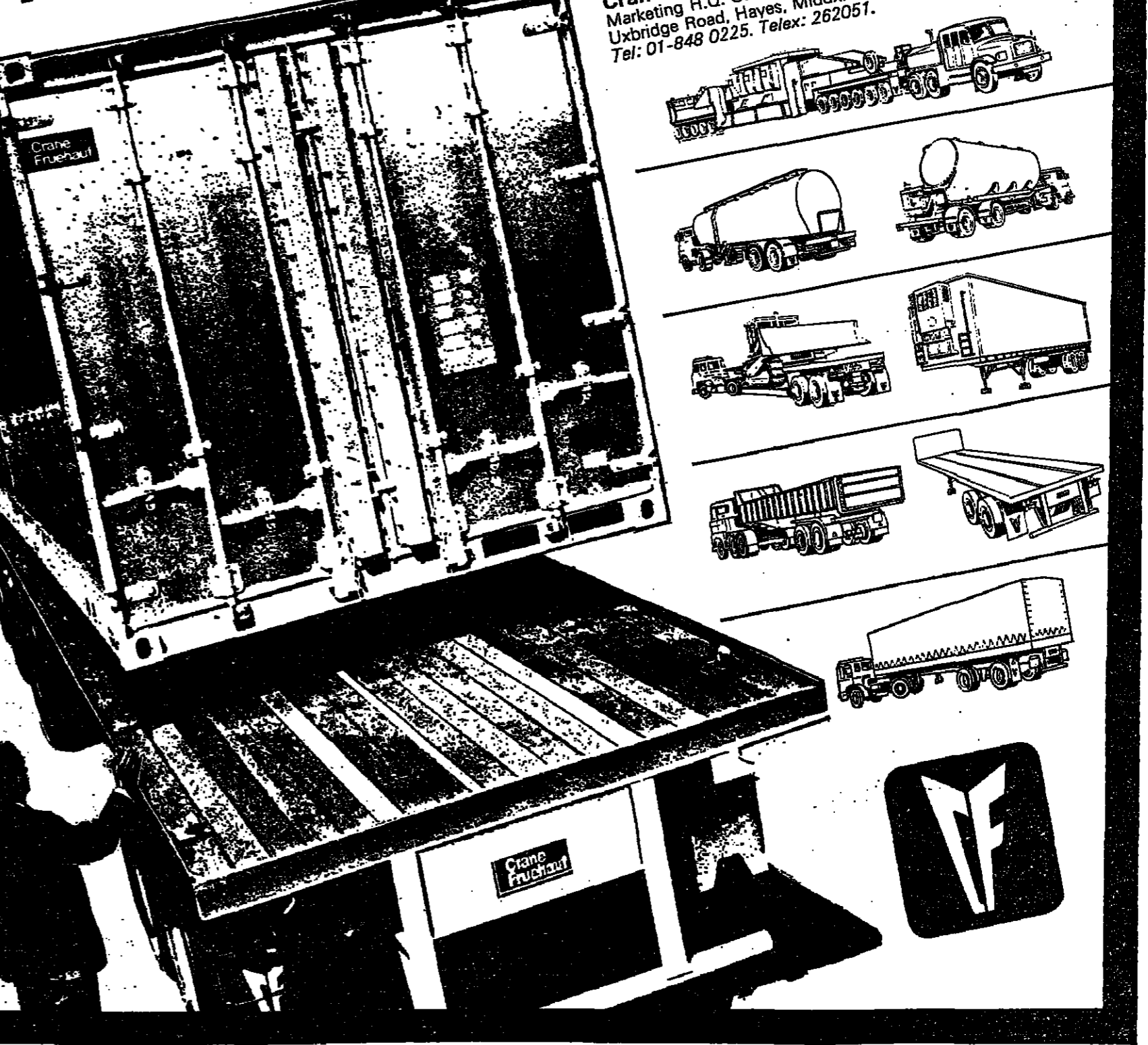
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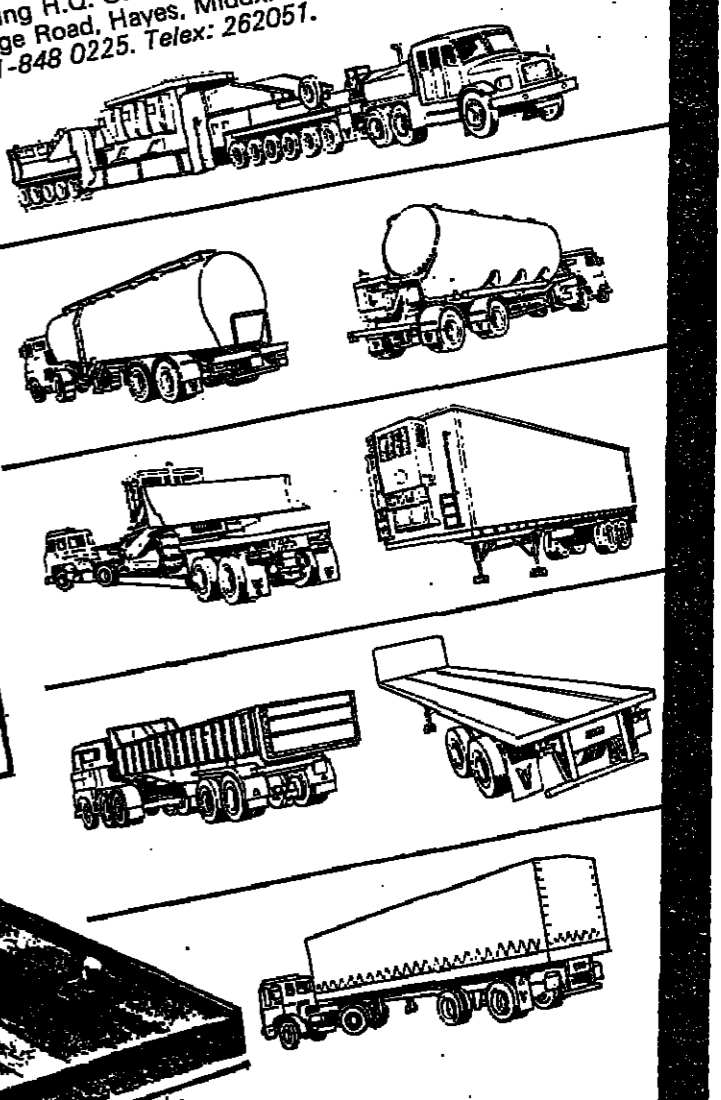
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## COMMERCIAL MOTORS IV Many problems for tyre makers

By STUART MARSHALL

As vehicle designers pit their wits against the laws regulating the size, weight and load distribution of heavy lorries, new problems arise for the tyre designers, too.

For example, since tri-axle semi-trailers running at 32 tons gross combination weight first appeared in Britain in the mid-1960s, operators have been plagued with acute tyre wear problems. With three axles in line, turning a sharp corner causes the leading and trailing tyres to be dragged sideways, and it has not always been possible to achieve a proper balance of loading between all three axles.

One tyre maker, Goodyear, investigated the situation in conjunction with the running gear manufacturers. In some situations, cross-rib designs of cross-ply tyre were found to increase tyre life compared with all-steel radials once the running gear had been modified to achieve better weight distribution. In others, putting a Super Single, ultra-low profile tyre on the middle axle only, was the answer.

Pirelli claim even better results by using radial tyres with multiple ply sidewalls on tri-axle trailers—and so the debate goes on. Always the aim is to achieve better tyre cost per mile figures, because this is the ultimate test any haulier applies to a tyre maker's claims.

In a bid to improve operating efficiency, there has been a trend toward radial ply construction for truck tyres, and the majority of long-distance lorries are now fitted with this type. They offer several benefits. In the first place, they last a great deal longer than the crossply tyre in normal applications because the tread is braced by a hidden belt and does not wriggle and squirm against the road as

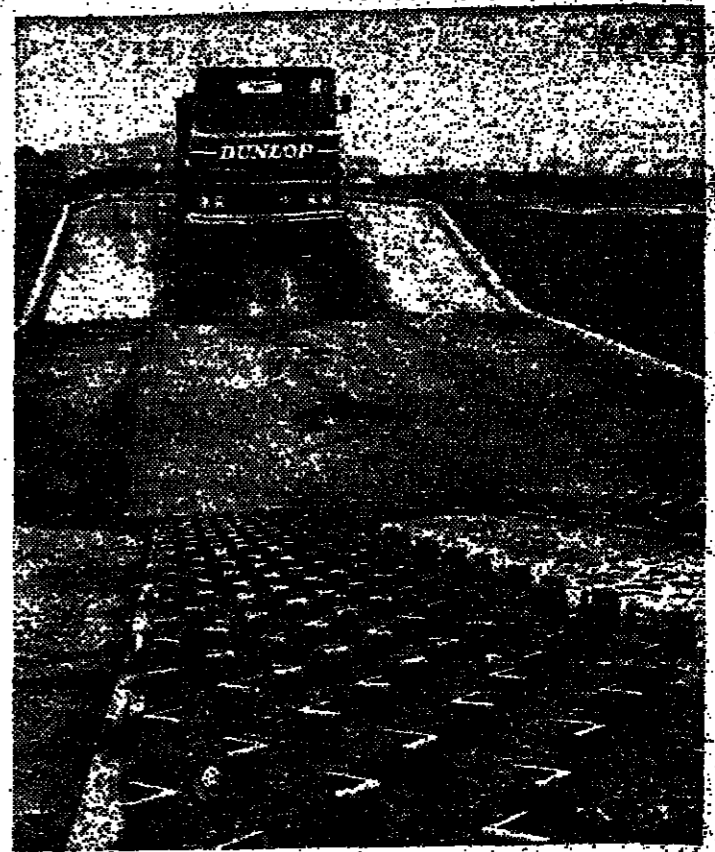
### Lagged behind

By the end of this year it seems likely that radials will have about 50 per cent of the total truck tyre market, and will continue to forge ahead until, in 1979, there will be twice as many radial truck tyres as crossplies.

Michelin, pioneers of the radial truck tyre, led the way with all-steel construction over 20 years ago. Since that time their production has consistently lagged behind demand.

Hence their decision to build three new factories in Britain to make truck tyres, wheels and tyre reinforcing materials.

Until recently, all-steel construction has been favoured for truck radial tyres, but Pirelli, for example, now use composite construction, with up to six nylon sidewall plies (compared with a single steel ply) combined with a multi-ply steel belt. It is said that this type of construction gives greater lateral stability. Apart from helping to overcome the tri-axle trailer problem already referred to, this is an advantage with vehicles having a high centre of gravity, because too much lateral tyre flexibility aggra-



Testing commercial vehicle tyres under arduous conditions at Dunlop's test track at Birmingham.

vates roll. Less steering effort at low speeds and greater resistance to sidewall damage are claimed as further benefits.

Apart from their constant search for longer tyre life, designers are always trying to save weight, because a lower tare weight means a greater profit-earning load within overall gross limits. This accounts for the widespread adoption of tubeless truck tyres, which eliminate the weight of the tube and flap and allow lighter wheels to be used. Hence, too, the adoption of the "Super Single" tyre, launched in Britain nearly 10 years ago by Goodyear.

One "Super Single" tyre, which is roughly twice as fast as a conventional truck tyre, replaces twin wheels and tyres on non-steering axles. The weight saving is considerable—up to eight cwt on a 32-ton gross articulated lorry. A better ride, improving the driver's comfort and reducing wear and tear on the vehicle, especially when unladen, is another advantage. "Super Singles" also give better flotation on soft surfaces and eliminate the danger of stone trapping between twin wheels.

Firestone and Dunlop are also marketing ultra low profile tyres of the "Super Single" type. Michelin can be expected to put them into commercial production in Britain within the next year or so.

Despite the emphasis on radial ply construction, development of the crossply truck tyre has not stood still. Improved tread compounds and patterns have enhanced wet grip and, especially, braking performance, in recent years. Nevertheless, the radial is the tyre of the future for trucks just as much as it is for cars.

### Truck tyres

Truck tyres are remarkably long-lasting but, like any other technological product, give of their best only when properly serviced and maintained. With higher speeds being demanded on long hauls, truck wheels and tyres are now commonly being dynamically balanced, just like a car's, before long.

## Components sector slack

By PETER CARTWRIGHT, Midlands Correspondent

Recently a letter from a major commercial vehicle manufacturer landed on the desk of a component supplier. The manufacturer regretted that he would have to reduce orders by 15 per cent, but gave an assurance that this was the lowest point to which they would sink, based on the best market research available.

The writer pointed out that the decision had been forced on the company. Measures to avoid it, such as building for stock, had been taken to the limit.

It was, said the components supplier, a typical letter. The commercial vehicle sector of the industry feels an economic downturn later than the car sector. Correspondingly, the effects of reviving demand, of increasing capital investment, are also delayed, and with a heavy stock position no-one is holding out any hope of an appreciable improvement before the spring. Full recovery may not be achieved until 1979.

The current situation is in marked contrast with that existing 12 months ago. Although demand began tailing off in the last quarter, production ended the year relatively strongly.

### Better balance

The effects on component manufacturers have been almost as variable as their products. In any downturn during which hauliers prune investment and make their vehicles last longer there is a tendency for the replacement market to grow, while those component makers who serve both car and commercial vehicle sectors are able to some extent to achieve a better balance of production than those solely associated with commercial vehicles—the chassis frame and diesel engine makers, wheel and spring suppliers and so on.

On the other hand, their chances of finding more outlets overseas may not be so restricted as those of the truck makers, as shipments of parts and accessories tends to bear out. These are not broken down as between those for cars and trucks, but the overall figures are a reasonably reliable guide. They account for around 40 per cent of exports of all products of the motor industry with a steadily improving value performance.

In 1969 parts and accessories sent overseas totalled £379m, of the £1,073m achieved by the industry as a whole. In 1970 the comparable figures were nearly £448m, out of £1,157m, and in the first six months of this year exports of parts and accessories amounted to £259.1m, of the total industry figure of £689.2m. This compares with £223m and £591m for the corresponding period last year.

While falling demand has been the chief cause of shortened order books, technical

and legislative factors have also played their part, and until they are resolved component makers will find it difficult to see the way ahead. Two of the most important counts are those concerning power to weight and gross vehicle weight. Elsewhere in Europe it is mandatory to have at least 6 hp per ton but in the U.K. there is no such legislation.

The industry and its customers are also awaiting Government legislation on permitted vehicle weights. At the moment 32 tons gvw is the maximum, but several truck makers have been making vehicles of much higher capacities in anticipation of the U.K. coming more into line with Europe and to be first off the mark. Some may now find they have the ability to make bigger vehicles than the law will allow. Top-level talks between the Society of Motor Manufacturers and Traders are now going on with Government representatives in the hope that new legislation will soon be approved. Current thinking is that the gvw figure will centre around 42 tons.

### Whole range

Certainly until prospective customers know what they ought to buy they are going to make do with what they have. The largest fleet operator for a whole range of vehicles is National Freight Corporation. Its experience may not be typical, but is worth recording. It runs 27,800 vehicles, so its investment programme is of substantial interest. Officially it says there has been only a marginal change in policy, but it is hard to believe this against the statement from British Leyland that it does not have an order on its books from the Corporation.

In addition to all these factors, another one has been at work making for a higher fleet

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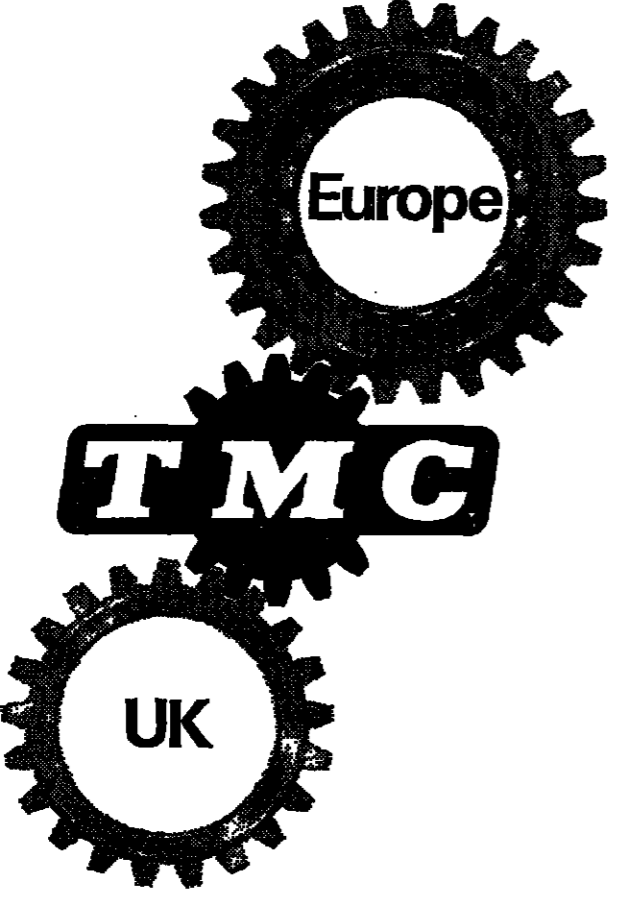
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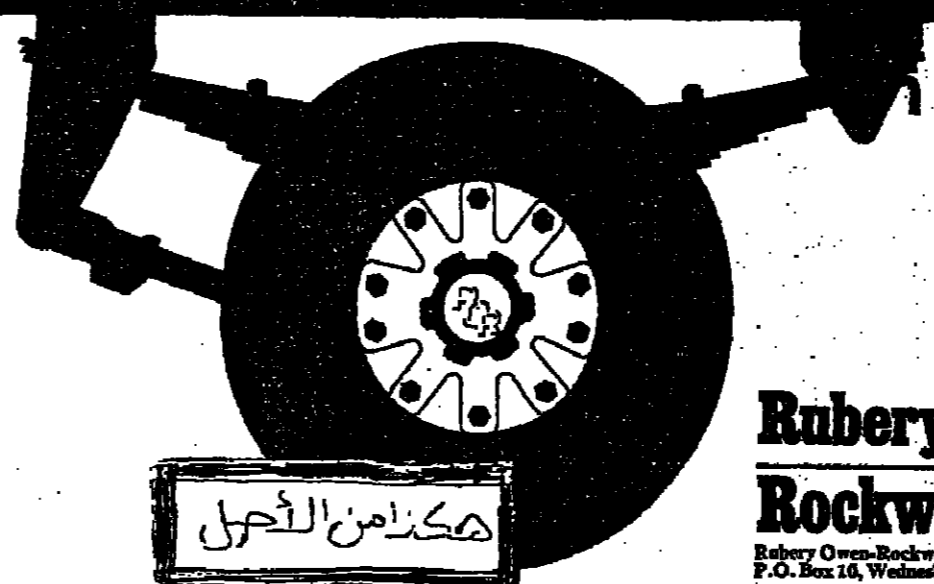
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## COMMERCIAL MOTORS V

# Changes in van design

by DAVID WALKER

Van design has changed rapidly in the past 15 to 20 years, mainly because of the need for a vehicle which was a combination of a car and a truck. This has led to a turning circle of just 33 feet—well comparable with many saloon cars.

In the de-luxe versions of the Chrysler UK's Commer Compact range, among others, the driver has a cigarette lighter. Not long ago, even an ashtray might have been missing.

After the last war, the van market was occupied basically by vehicles which were either derivatives of light trucks or heavy trucks. Very basic, they often had neither provision for passenger accommodation nor the fittings which were beginning to be seen, even then, as necessities for the private car owner.

Nor were they necessarily good at the sort of jobs they were needed for. A van easy to load, easy to drive, or easy to manoeuvre was exceptional, adding considerably to the rigours experienced by delivery drivers and other users.

One of the most significant changes came in 1952, from Vauxhall Motors with the purpose-built Bedford CA range, which worked on the principle of maximum load, minimum road.

A forward-control layout eliminated the bonnet, giving maximum load volume within compact overall dimensions.

Justification for the new type of vehicle was soon shown in the sales figures; some 370,000 CAs were sold during the model's 17-year lifetime.

Another major innovation came in 1964, when the British Motor Corporation introduced the first mass-produced monocoque construction medium van.

The norm in ordinary car design, that development had been considerably slowed by the needs of specialist body-builders. Those were and are of considerable importance to the basic vehicle manufacturers, with their work on vehicles for particular needs in comparatively small quantities freeing valuable mass-production lines.

Alongside basic design changes, has come an emphasis on safety. The long strike which closed Ford production lines for several weeks earlier in 1971, the company still expects to sell 54,000 to 55,000 Transits this year, bringing total U.K. production since the model's introduction to over 300,000. Manufacture also goes on at Genk, Belgium, which has achieved an overall Transit output of more than 180,000 by January.

Moving closer behind Ford is Vauxhall, with its Bedford CF range, which replaced the CAs in 1968. The CF played a large part in the record sales recorded by the company in the first six months of this year. Its overall number of van registrations then were 42.2 per cent up on the same period of 1970, at a time when the total market declined by nearly 4 per cent.

British Leyland's Austin Morris J4, with the smallest standard body of the top three sellers, has some 21 per cent of the market, with Chrysler U.K. a little way behind.

Imports have been making inroads on the dominance of home-produced vehicles, just as they have as far as cars are concerned. In 1969-70, their share of panel van sales in the U.K. was only an average of 6.5 per cent; this June, the figure was 10.2 per cent and it is expected to rise as successive rounds of tariff reductions reduce the price advantages of British-made units.

As far as car-derived vans are concerned, British Leyland is the clear market leader, despite the age of two of its best-selling models—the Minor-based van and the Austin Cambridge derivative. Both come from cars no longer in production; in the case of the Cambridge from a car not made for over 10 years.

The group is not alone in that, even though Ford and, to a lesser extent, Chrysler offer vans based on their latest car models. With Ford, for example, an Escort van was unveiled at the same time as the Anglia saloon replacement.

Demand for new car models, however, can mean that production lines are fully occupied meeting that without any changes being made to well-selling van ranges.

Even though it seems only a matter of time before British Leyland unveils a Morris Marina-based van, its ageing trio—Minor (6 cwt and 8 cwt), Cambridge (4-ton) and Mini-van—still account for 50 per cent of all light van sales.

Lightness has also been made an even more important factor, and there seem to be real prospects for an expansion in the use of aluminium bodies, despite that material's greater cost. Specialist body-builders have not been slow to see the opportunities there.

On top of that has come experimenting away from conventional power plants. Crompton Leyland Electriccars, the joint British Leyland-Hawker Siddeley subsidiary, has developed an electric van, for example, capable of over 30 miles an hour with a 25-mile range between battery charges.

Continued growth of the van market seems certain, at least until the introduction of Value Added Tax in around 18 months' time. That could well place vans on the same tax basis as ordinary cars, thus removing the incentive element as far as private buyers are concerned.

Until then, the reflationary measures announced by the Government in July should do a good deal to boost sales, just as they have for cars and heavy commercial vehicles.

There is also strong demand abroad. The countries of the European Economic Community, in particular, are like Britain in having large van markets, accounting in most cases for over 60 per cent of all commercial vehicle sales.

Quite apart from direct sales, growth also seems to lie in the rental field. Manufacturers are now becoming directly involved through their main dealers in that, such as the Ford Rent-A-Van scheme announced in January.

second to none. From the small 15 cwt pick up van through to the maximum legal capacity vehicles of 32 tons GCW and above, Truck + Bus Division provide vehicle specifications which can be matched exactly to the operator's needs. No other manufacturer has a range so wide. No other manufacturer has the same depth of experience. This shows in terms of quality, reliability and performance. Features which operators throughout the world have come to rely on for profitable operation.

Public Transport In passenger transport the whole nature of the public's needs has changed. Expanding populations, greater affluence, the motor car, new living and work patterns have all tended to drastically alter the demand for public transport. This has happened at a time when heavy increases in running costs have been experienced by the operating companies. British Leyland foresaw this problem some five years ago and tackled it typically.

resistance to damage and passenger safety. Passenger comfort and convenience are at a new level, as are the mechanical performance and maintenance requirements. To manufacture the vehicle, a new company—the Leyland National Co. Ltd., jointly owned by the National Bus Company and British Leyland—was formed in July 1969. A new and extremely advanced factory is now being completed at Workington, Cumberland, and will be on stream early next year. This plant will have an

initial output capacity of 2,000 vehicles per annum and an extensive order book is already in existence.

The result was the Leyland National bus announced at the Commercial Motor exhibition in London in the autumn of 1970. The bus, a single deck vehicle, is completely revolutionary in both design and performance. It utilises a system of integral construction which ensures entirely new standards of service and replacement parts viewpoints, Truck + Bus Division have also been extremely active. This is the vital backing which keeps vehicles where they should be—on the road. Our

From the vehicle service and replacement parts viewpoints, Truck + Bus Division have also been extremely active. This is the vital backing which keeps vehicles where they should be—on the road. Our

operator a comparable organisation. Our new complex for replacement parts at Chorley is now in operation. This means a greater availability of genuine factory guaranteed parts than ever before, and availability within 24 hours when necessary, anywhere in the U.K.

The British Leyland contribution These, then, are the current projects. Others, as yet unannounced are at varying stages of development. One thing is certain. The contribution which British Leyland Truck + Bus Division is making now, and will make in the future to the road transport industry far exceeds that of any other manufacturer. No possibility is left unexplored. No idea left undeveloped. It is inevitable that the impetus generated will affect people and things on wheels, whenever there is a need to move them. The trick is to keep developments in phase with the changing demand.

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Some 20 per cent of small van sales are to private individuals rather than commercial users, thanks largely to the car-based specification at a purchase tax free price. The number is rising despite the danger feature of a vehicle which, for no apparently good reason, is forced for tax purposes to have no form of window beyond the driver's door. Particularly significant are caravan conversions on both car-derived and panel vans.

The major van purchasers, however, are the big fleet users, whose importance is immense. Earlier this year, for example, Chrysler gained a Post Office order worth £2m. for 2,440 vans in one of the most valuable commercial purchases ever by a single customer.

Meanwhile, the design changes are continuing. Automatic transmission, already available on some models, is bound to become more common. More fundamentally, recently introduced regulations on testing and plating act towards the introduction of much larger bodies on existing chassis and cabs.

## Real prospects

Lightness has also been made an even more important factor, and there seem to be real prospects for an expansion in the use of aluminium bodies, despite that material's greater cost. Specialist body-builders have not been slow to see the opportunities there.

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The popular Bedford 6 cwt. van produced by Vauxhall Motors Ltd.

## Components

—(Cont'd.)

Continued from previous page making fuel injection systems and heat exchangers, while transmission and suspension makers are steadily improving their products to produce better ride and comfort for operators.

With drivers now well into the £2,000-a-year class on the heaviest carrying loads worth up to £50,000 or more, comfort and safety are of paramount importance. More comfortable cabs, with an increasing number being supplied with sleeping berths, more sophisticated driving aids, such as more fully adjustable and better sprung seats, instrumentation and generally all-round improved creature comforts to lessen the strain of fast driving on congested roads, will be making their appearance.

New automatic transmissions, some of which are now undergoing field trials on buses, anti-jack-knifing devices, anti-skid braking with dual systems, and brakes to match heavier and

faster-moving loads are all waiting to be taken up on a far wider scale than they have been at the moment. Legislation is progressively moving towards imposing greater obligations on owners. A good deal of what is going on is the subject of European-wide talks so that a sensible degree of standardisation can be achieved to prevent a chaotic situation from developing if each country determines its own standards.

## Not in doubt

Component makers in the U.K. are technically among the strongest in Europe, and have among them bigger and more widely representative world interests supported by increasingly better sales and service organisations. While short-term prospects suggest that recovery will be delayed their ability to get quickly off the mark with technically competitive products for home and export markets is not in doubt.



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Every accepted concept of bus design, construction and operation was questioned. A massive research and development programme was put in train with a special technical team working exclusively on the project. Never before has a British manufacturer put so much effort, expertise and expenditure into developing a single range of vehicles.

The result was the Leyland National bus announced at the Commercial Motor exhibition in London in the autumn of 1970. The bus, a single deck vehicle, is completely revolutionary in both design and performance. It utilises a system of integral construction which ensures entirely new standards of service and replacement parts viewpoints, Truck + Bus Division have also been extremely active. This is the vital backing which keeps vehicles where they should be—on the road. Our



service network is unrivalled in Great Britain, with over 100 full service points where factory trained personnel provide the facilities for routine and emergency servicing. No other heavy vehicle manufacturer can offer the



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## COMMERCIAL MOTORS VI

# Future pattern of bus operations in much doubt

By DAVID WALKER

Britain's bus market is in a state of flux. The immediate future of the bus manufacturers seems assured, but the direction in which that future lies is a good deal less certain.

Recent Government exhortations to local authorities to support rural bus services could mean a slowing down of or an end to the gradual disappearance of the country bus. Likely to help towards that are Department of the Environment's proposals for radical changes in the bus licensing system, which has been basically the same since 1930.

Those could lead, too, to significant changes in the pattern of rural services and the types of vehicles operating them. The overall result will be to make easier the development of public minibus services, and allow the giving of lifts for payment in private cars. Already one village, Datchworth in Hertfordshire, has started to organise what amounts to its own public transport system without conventional buses.

### Proposed changes

The changes proposed have met immediate criticism from bus operators, but there is little reason to believe that they will not be implemented as planned following a series of consultations with manufacturers and operators.

Despite doubts among some experts about the practical effect of the proposals—it is said that minibuses, for example, could prove no more viable than conventional 30- to 50-seat vehicles because of the importance of wages in determining costs and the need at peak periods for larger units which cannot be left standing idle at other times of the day—it seems unrealistic to believe that they will have little or no impact.

In towns and cities, too, the pattern of bus operation is changing rapidly. Both urban and rural areas are now familiar with the one-man operated bus, the result of staff shortages and the need for economies generally.

But almost all such vehicles are single deck, forced to be so by Department of the Environment regulations which barred one-man double-deckers because of the difficulty a driver alone has in taking due notice of what is happening on two levels. Yet single-decker units are not necessarily the most apt for big city operation, when thousands of people have to be shifted comparatively long distances over relatively short periods.

Now, the regulations have been altered to allow the one-man operation of double-decker buses of advanced design. Those are already being introduced in London. London Transport plans to have its entire fleet one-man operated by the end of the decade. Already, 1,070 one-man single-deckers operate in the City and its suburbs every day, and it had been thought that the number would grow.

The DoE alterations, however, mean that the single-deck fleet will remain virtually static in number, at least until 1975. (Detailed plans for the years beyond that have not yet been worked out.) Instead, double-deck "Londoner" buses on British Leyland Daimler Fleetline chassis are being introduced. Over 140 are in daily use, with their front entrance allowing payment either through machine or to the driver, middle exit and central stairs. By 1975, nearly 2,000 will be in service.

Elsewhere, in-town bus services are coming under examination as part of the general bid to wean passengers back from the private cars which are so increasingly choking urban centres. Perhaps the most significant proposals were contained in the Lichfield Report on public transport in Stevenage, the Hertfordshire new town, published last year. That envisaged frequent services at flat rate fares with all stops within a few minutes of people's homes. A turnaround in thinking had occurred, away from previous attempts to persuade people to go to work by bus by using prohibitive parking charges and extensive one-way systems to frighten cars off the road.

### More attractive

Instead, the bus service was to be made more attractive. Professor Lichfield decided against double-deck vehicles because of the difficulties thought to result from one-man operation; their bulk, making them allegedly unattractive to look at and uncomfortable at speed; and the innate disadvantages of stairs for the old and very young.

He proposed air-conditioned single-deckers, with large windows and bright livery "to reflect modern fashions in colour and style and convey an impression of an up-to-date fast vehicle." And he also urged bus hostesses, to perform

similar tasks to those on air liners.

Stevenage had already been supporting an extremely successful taxi-style bus service, using bright blue double-deckers, with all seats bookable in advance, to take people from near their homes direct to work and back. Now, the first stages of what could be the forerunner of full implementation of the Lichfield Report have been introduced in the shape of "Superbus." Initial response has again been good.

### New factor

Alongside those specific developments affecting demand have come more general changes. As in so many other spheres, environmental considerations have become important. That has led to moves to cut down noise and reduce pollution from engine fumes. Even though the shift in emphasis has come too late to save the pollution-free (but not sufficiently flexible) trolleybus in this country, experiments have gone on with electric vehicles. In the U.S. Westinghouse produces an electric bus with room for 18 passengers and said to be capable of running for eight hours at a time and making more than 500 stops and starts.

More important have been attempts to move away from the bus as a low production vehicle having to be changed in detailed specification to meet the different requirements of a myriad of separate operators. Several new vehicles have emerged, with striking design similarities, in a bid to provide a standard unit.

The most important, undoubtedly, is the Leyland National bus, the product of a joint venture by British Leyland and the National Bus Company, which is spending £15m. on replacement buses this year. The single-deck Leyland National is of integral construction, meets all relevant regulations in this country and many others, and has a luxurious specification as far as both driver and passengers are concerned.

Volume production is likely to start early next year. By mid-1973, it should be running at the rate of 2,000 units annually. Each bus costs around £9,000, considerably less than more traditional vehicles. Already, the first year's output—500 vehicles—and more has been sold, with the major purchaser, not surprisingly, the National Bus Company.

London Transport is thought to have been seen also as a potential customer, and its decision to concentrate for the time being on double deck replacement could have been something of a blow to British Leyland. Municipal operators, however, are said to be showing interest, and the company is convinced it will have no difficulty in finding customers.

Similar in many ways to the Leyland National is the Metro-

scania, an Anglo-Swedish development manufactured at Birmingham by the Metro Cammell Weymann bus-building subsidiary of Cammell Laird (Metro), itself a big body-builder on Leyland and other chassis. Launched in 1969 and planned before the Leyland National project was announced, about 100 of those vehicles have been sold in Britain, including two for the Stevenage Superbus service.

Those results are said by the company to be well up to expectations. Like the Leyland National, the Metro-Scania, is available with fully automatic transmission, but its engine is larger. A major feature is its quietness—at 77dB its noise level is half that of many other buses.

Yet a third example of the same sort of vehicle has been produced by Mercedes-Benz in Germany, and there has been talk of its linking like Saab-Scania of Sweden with a U.K. coachbuilder to develop an Anglo-German vehicle. Mercedes, too, has been working on a full-size battery bus with a small diesel-electric generator to boost the batteries and achieve adequate range outside built-up areas.

### Again dominant

Despite those developments, a strong market remains for the traditional vehicle. British Leyland is again dominant here—it is the only U.K. manufacturer to offer double-deck chassis at all. But Ford Motor has been making significant advances. A year ago, the company, which supplies chassis only, won its first order from a National Bus Company subsidiary, Midland Red. The deal involved 100 buses, worth £585,000, for rural routes, and was the largest contract ever placed by a British operator for front-engined one-

man single deck vehicles. Now Ford is expanding its bus chassis production facilities.

That sort of success has been reflected, too, by the various independent bus bodybuilders, several of whom are successfully seeking out markets which, they maintain, may not be catered for by British Leyland.

Thus Willowbrook, until recently part of the Duple group, expects output this year to double compared with 1970 following a similar rise 12 months ago. With a new range of units for Ford and Bedford chassis just introduced, the company is actively exploring the possibilities of local assembly of U.K. parts in Ghana and Nigeria, two of its principal export customers.

There, according to Mr. George Hughes, its chairman, the concept of the integral bus could meet with some resistance, while, at home, enough users outside the National Bus Company remain to make the future of the independent manufacturers assured.

Overall, the U.K. bus market has become a replacement market only, and a declining one, though there are hopes that present Government policies will not lead to its disappearance to be followed, as in other developed countries, particularly the U.S., by massive state spending on buses on social grounds. With revision to the grant system due in 1972, some considerable fall in demand is expected in the mid-1970s.

Exports, however, are buoyant, and thought likely to remain so, with heavy demand for buses both as passenger service vehicles and for military uses. Ford, for example, exported 997 chassis last year, at 1,202 in 1969, while British Leyland has a number of its assembly operations overseas.

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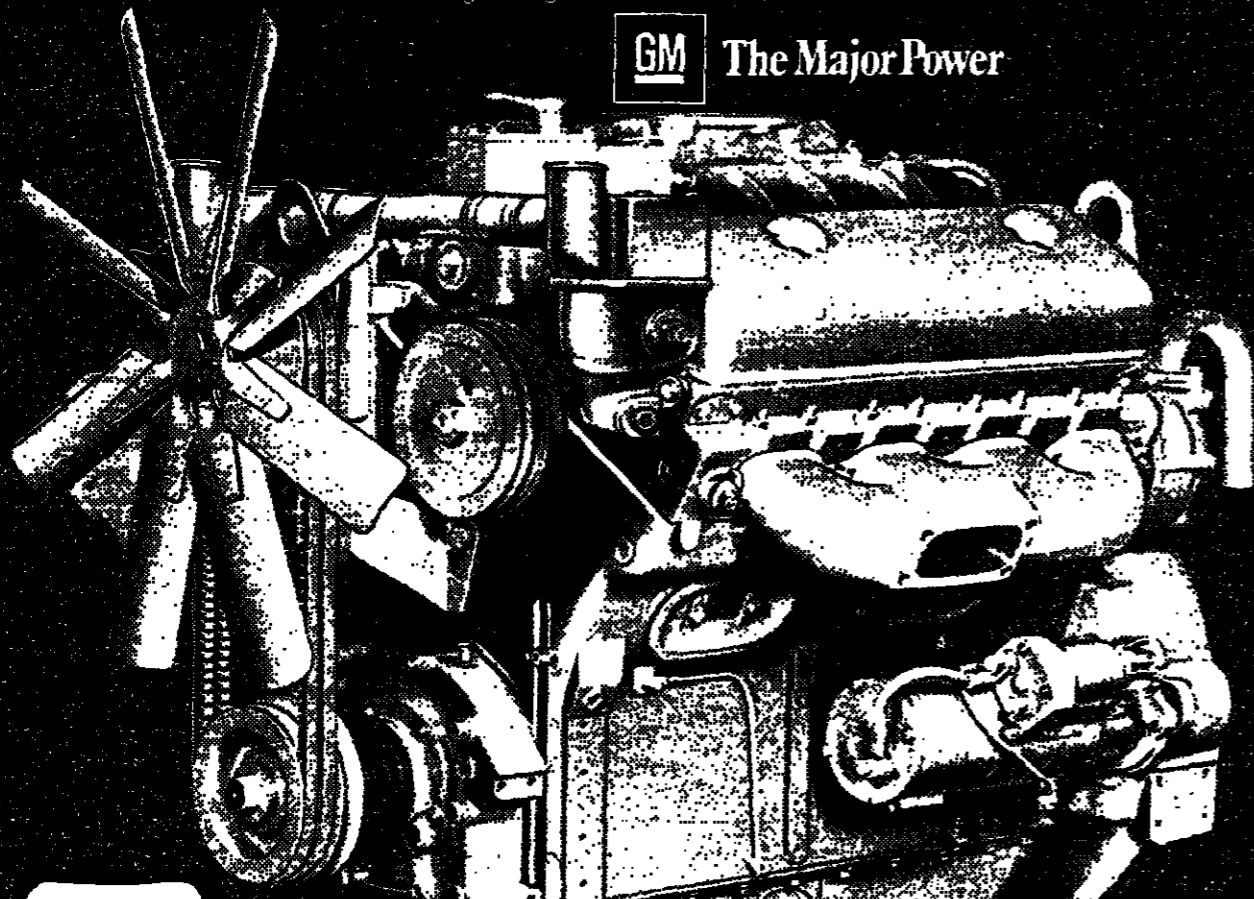
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# Specialised role of small bodybuilders

By P. A. C. BROCKINGTON, Commercial Motor

Typically, the small body-builder produces bodies to cater for the particular requirements of his customers, who generally include a variety of operators having individual problems that have to be sorted out with the bodybuilder before the design of the structure is finalised. And normally the larger companies in the small-bodybuilder category also offer a standard range of bodies that can be adapted or modified to some extent without major changes to the basic structure.

Increasing use is being made of kits of cut-to-size parts available from aluminium companies and stockists, that enable bodies of a known type to be built at short notice by a small labour force, without a waste of material in the minimum of workshop space. The availability of these kits may well contribute to the flexibility of the bodybuilder in that they provide an easy way of producing a standard type of platform, tipper or van body as and when it is needed without interfering with the production of more specialised bodies. A number of bodybuilders that started in a small way currently have 100 or more employees but the essential character of the company is, in most cases, unchanged.

## Lot of trouble

In the context of this article, "specialisation" refers to special versions of standard types of bodywork, as distinct from body structures for such vehicles as tankers, mobile cranes, refuse vehicles, tower cranes and so on, the operation of which is highly specialised. And some examples will serve to illustrate a few of the problems of a bodybuilder who is prepared to go to a lot of trouble in coping with a diversity of individual requirements.

Take the relatively simple case of an operator who wants a drop-sided platform body that is to be used in the normal way for carrying mixed loads on outward journeys and full-width pallet loads on return runs but will be occasionally employed

the need for an operator's licence. The design of heavier vans can be likened to the design of big tipper bodies in a lot of cases in that suitability is often dependent on the bodybuilder knowing what the operator requires more realistically than the operator himself.

## Floor tracks

Double- or triple-deck loading, hanging loads, loads that are handled by a fork-lift truck that is driven on to the deck, floor tracks designed to handle palletised loads, the use of a tail-board loader, the need for cleanliness and many other factors and specified features may have to be taken into account individually or collectively, apart from lightness, dimensional suitability, ease of repair and so on. And the operator of an insulated/refrigerated body may spend his money very unwisely if the body is not built by a bodybuilder who takes the trouble thoroughly to investigate conditions of service before he starts on the job. Too much or too little insulation or refrigeration can be very costly in one way or another.

The demountable body is in a class by itself. There are now about 12 companies mostly in the small bodybuilder category who are producing demountables, and in some cases the demounting system represents a completely original concept. Again, matching the body to the traffic is of first importance.

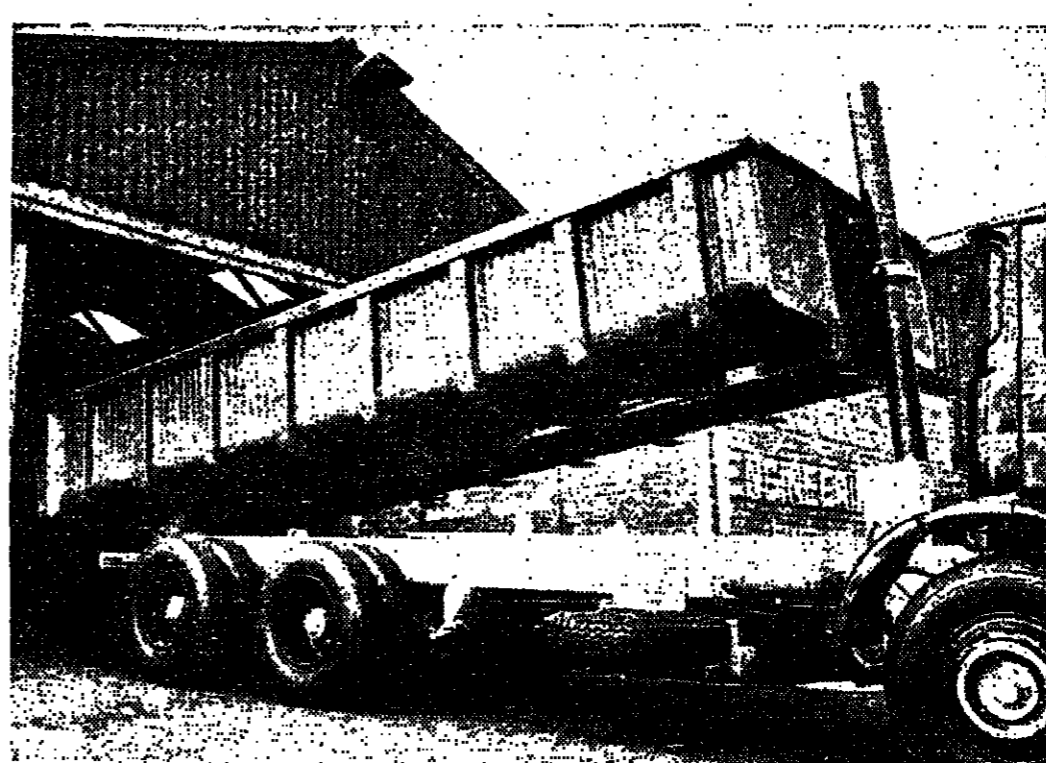
"Quality and workmanship have noticeably declined in the products of the larger manufacturer," observes Mr. John Lake, managing director of Tiverton Body and Container Company Ltd., Tiverton. Mr. Lake rejects line production and says that a bodybuilder's employees must identify themselves closely with the individual customer and his requirements. He points out that smaller companies can be as technically advanced as larger ones and that in the main progress has been derived from advances in the materials provided by suppliers.

Mr. Hubert Leet, managing director of Seadyke Freight

Systems, Wisbech, emphasises that operators require a down-to-earth personal service combined with guaranteed delivery dates and that the small bodybuilder generally scores on quality as well as service. And it is notable that the company recently developed an original type of dual-floor system for discharging free-flowing materials that eliminates the need for a tipping gear, provides for discharge in premises having restricted headroom, and enables a bigger payload to be carried. Seadyke are one of many smaller companies which include Alusuisse tipper bodies in their ranges built from kits supplied by Star Aluminium Company, Wolverhampton.

Increasing the load potential of a particular chassis model is a rewarding exercise that generally gets the backing of the vehicle maker, and an aluminium drop-sided tipper body that was recently produced by Derbyshire Tippers Ltd., Staveley, near Chesterfield in close liaison with Paynes (Heavy Commercial) Ltd. of Hinckley, Leics. is a good example of such a project. By using a variety of extrusions in a layout designed to give uniform stress distribution, Derbyshire Tippers were able to build a body weighing 8 cwt specifically for a Ford D900 chassis that gives a payload of 10 tons, which is normally the payload of the heavier and more costly D1000 chassis.

Some three years ago, Truck Engineering of Oldbury in Worcestershire, produced an all-plastics 11 cubic yard tipper body by the lay-up process that is mounted on a 18-ton-gross chassis and enables a payload of 11 tons to be carried. Recently completed, a 14 cubic yard body of this type is mounted on a 22-ton-gross chassis and can legally carry a payload of 14.75 tons. Future plastics bodies will give more accurate control of section thickness and will therefore enable weight to be further reduced. Special shaping of the plastics members improves the strength/weight ratio of the body.



A payload of nearly 15 tons can be carried in this all-plastics tipper body produced by Truck Engineering Ltd., of Oldbury, Worcestershire.

More seriously, engines which at present on their bare-state rating produce enough power to give vehicles 6 hp per ton will not give sufficient in their installed states. The 180 hp 101-litre Gardner is such an engine—and there are several others. Actually, the Gardner engine's smoke density is so far inside the British Standard limit that more power could be very simply obtained by allowing a little more fuel to be injected. Or the governed speed could probably safely be raised. But Gardner's make it difficult for themselves by refusing to market increased power without improving fuel consumption. So probably some hard development work is afoot I would guess. Other makers are often resorting to light turbocharging or increasing the bore or stroke to leave more power margin.

Most of the diesel manufacturers are confident of the long-term sales prospects and, unlike the chassis producers in their private more realistic moments, are keen to make inroads into continental Europe. Perkins already has plants in the EEC although without much strength as yet on the automotive side.

# Diesel engines—(Cont'd.)

Continued from previous page  
required despite greater loads. Yet fuel economy is as important as ever and the standards of reliability and life being demanded are even higher than before. Half-a-million miles is the expected life of big diesels now; for the smaller ones 200,000 miles is looked for.

The first stage—that of offering designs which will provide the fresh standards of performance—has been accomplished. Some enterprising ideas have come to fruition in the last two years. The V8 configuration has come on the scene. So has turbocharging. Engine speeds have been raised. Bores have been enlarged. An overhead-camshaft engine with the cylinder head and block combined in a single casting has come from Leyland. An in-line straight-eight has been introduced by Gardner.

## New generation

Not all these innovations have been complete successes. It would perhaps be asking rather too much for them to be so in only two years of experience. So now the new generation of diesels is entering its second phase—that of ironing out the problems.

The first priority has to be reliability. For there is no doubt that it is on its reliability

that the success of an engine is primarily judged.

Thus, an enlarged and improved Cummins V8, rated at 210 hp, has been introduced. The rival Perkins V8 is also being enlarged and its reliability improved. The big AEC (Leyland) V8 has already been enlarged and is now being improved in reliability and noise. The Cummins range of in-line six-cylinder 14-litre engines has been lightened a little, the powers effectively raised somewhat and their combustion made cleaner. The fuel economy of Rolls-Royce 12-litre six-cylinder engines has been made better, their powers raised and their weight cut slightly. The 8-litre overhead-camshaft fixed-head Leyland engine is still having a lot of development time spent on it, with concentration on turbocharged versions. The Foden two-stroke diesel has had its coding system re-vamped. The Gardners need no improvement; all that is needed is more of them (chassis manufacturers are rationed with Gardner engines).

There is one worry which is certainly shared by Gardner, however. That is the Government's two-pronged legislative attack on diesel-powered lorries (sponsored more from misconceived political pressure than rational argument). A minimum power-to-weight ratio of 6 hp

per ton of gross weight is threatened. Directly linked with this proposal is an insistence on basing the power-weight ratio on the installed power of the engine, driving all its auxiliaries, such as air compressor, generator and power-steering pump. Moreover, strict limits are being placed on the density of the exhaust smoke. Later on there will be a tight maximum control over noise output as well.

## Different powers

To meet all these legal requirements at almost the same time is proving a rather traumatic experience. There can often be 140 permutations of engine specification for various installations—all resulting in slightly different powers. Under the terms of the latest British Standard these powers can be calculated, once the power absorptions of the different auxiliaries, fans, air filters and exhaust silencers have been found. It is still a tremendous task. At the end of it the British engine makers are still faced with meeting a tougher power-weight standard than their counterparts in other countries because a British horsepower will be less than other nations' until international standards are agreed for both horsepower measurement and power-weight legislation.

## Service network

The company with the shining prospects, if only because of its go-getter American-based salesmanship, is Cummins. It is spending £2m. over three years developing its European sales and service network. At present they make 25,000 engines a year. By 1980 they expect to make 87,000. The European effort will concentrate on in-line six-cylinder units: the Krupp-made big V6 and V8 engines of the 1960s were flops. Now some intriguing sales-promotion schemes are planned by Cummins, fundamentally designed to inspire customer confidence by giving long-mileage guarantees and fixed maintenance costs per mile.

So far as Cummins are concerned, gas turbines are out of the picture. In the U.S. a fresh range of 350 to 620 h.p. engines is being developed around an 18-litre in-line six. Thanks to much use of aluminium it is claimed to be only slightly heavier than the present 14-litre engines (which are heavy—they weigh just over a ton).

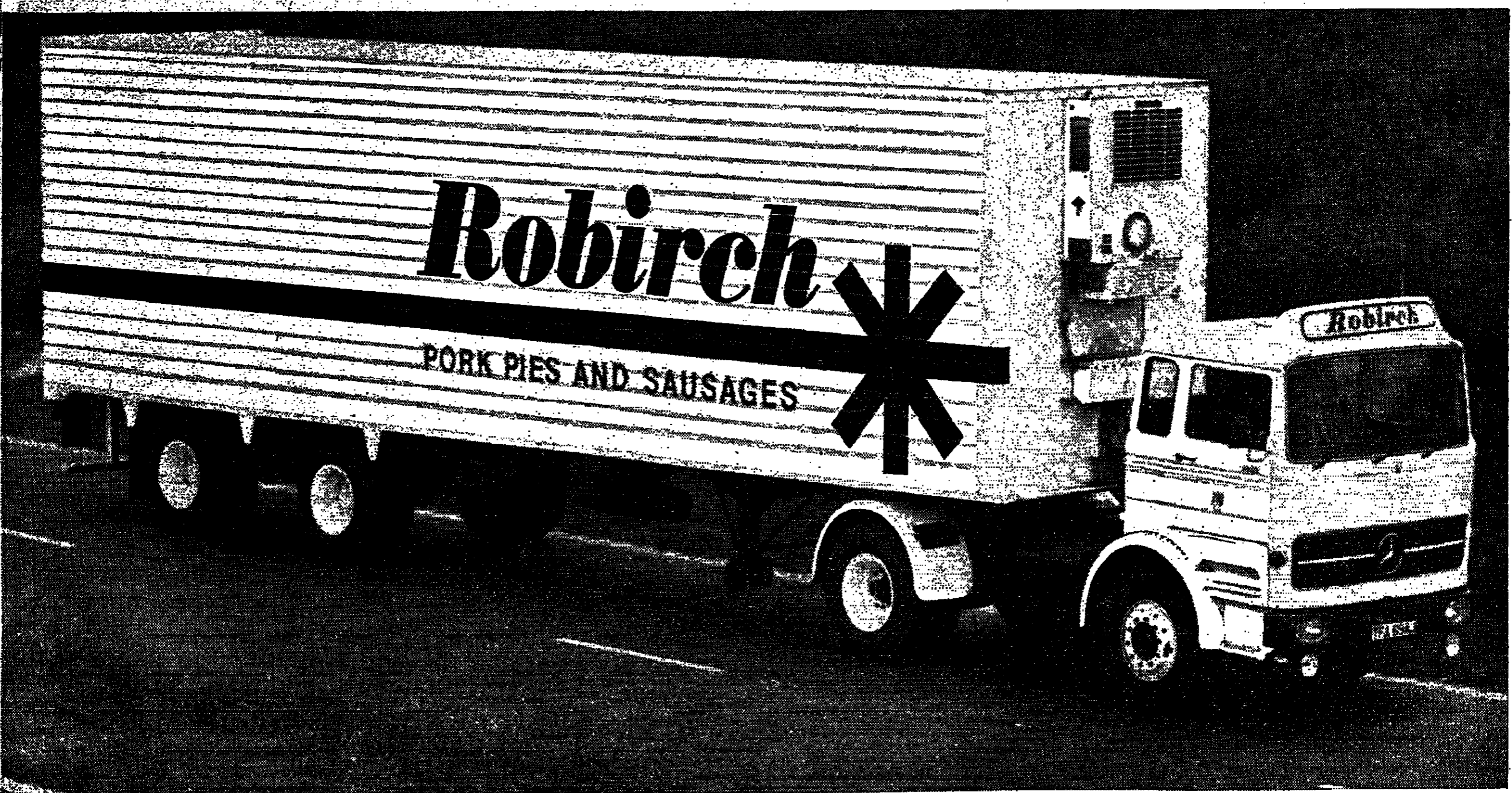
Aluminium engines do take time to develop, however, and they are probably the long-term answer for Europe. It now seems a pity Leyland did not pursue this theme in 1965. They built a prototype which was most promising, and Lord Stokes gave the go-ahead. But somehow his bold decision was shunted off the rails of future planning. They could have been at least five years ahead of their competitors.

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9. *Chlorophyll *a** and *Chlorophyll *b** were determined by the method of Arar and Collins (1971) using a Shimadzu 1601 UV-Visible Spectrophotometer. The concentration of chlorophyll was expressed in  $\mu\text{g mL}^{-1}$ .

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مکتبہ اہل سنت

THE FOULNESS PROJECT NOW

# Why London will need a third airport

SINCE the Government announced its decision earlier this year to site the third major airport for London on land reclaimed from the sea at Foulness, Essex, comparatively little has been heard of the progress of this project. It was not until recently that the Department of the Environment, which is overseeing the scheme, announced that it had set up a small committee headed by a senior civil servant to set on with the overall planning, and that a review committee was also being set up to keep a watch upon the wider environmental aspects.

## Port complex

Apart from that, virtually nothing has been heard, publicly, about what is likely to become the largest single planning and development project ever undertaken in this country, costing perhaps as much as £1,000m. eventually (including some £600m. alone for a four-runway airport and taking perhaps as many as 20 years to complete, although the first runway is currently planned to become operational by 1980. What must be borne in mind about "Foulness" as the whole concept has become known (although some prefer the more apt designation "Maplin"), is that it is not just a plan for an airport.

Associated with it are ideas—as yet not politically accepted—for a major new port complex (drawn up by the Port of London Authority) and an industrial area perhaps of considerable size, together, with the necessary road and rail access links, and the new towns to house the people employed in the area. The airport, on present plans, may be built first with its road and rail access links, but the seaport and

Michael Donne explains why a third major airport for London will be a real necessity by 1980—no matter where it is sited—and looks into the complexity of what is likely to become the biggest single development project ever undertaken in Britain

still come flooding in by Jumbo and Concorde. Furthermore, even if a STOL aircraft (and its associated engine) were developed, starting now, it would not be in service for another seven to ten years, by which time the airports in the London area anyway would be running out of runway capacity.

In fact, figures prepared by the British Airports Authority show that in 1970 the 46 airports in this country handled a total of 32m. terminal air passengers, most of them at the BAA's own airports. Notwithstanding the current slacker rate of air transport growth, it is expected that this figure will reach about 50m. by 1975, and that by 1980—the year the first runway is due to become operational, Foulness—it will have reached 83m., going on to reach 131m. by 1985.

## Falls short

Thus, even without the use of Foulness, before the end of this decade the existing airports in this country will have to cope with 51m. more passengers a year than they are now. The current expansion plans of the BAA, which involve spending some £10m. a year on all its airports, excluding additional runways (which have been ruled out by the Government), will enable Heathrow to be squeezed up to 30m. passengers a year, Gatwick up to 15m. and Stansted up to 5m.—a total of around 50m. passengers, which falls far short of the



St. Nicholas's Church in the village of Gt. Wakering, Essex

83m. that the country's airports as a whole are expected to have to cope with by 1980.

This must mean that the 33m. who cannot find runway capacity at the three main BAA airports will have to go elsewhere—to Luton, Elmdon, Ringway, for example—so that even before the first Foulness runway becomes available, the country's airport system is likely to be bulging at the seams.

In any case, the Government has already said that once Foulness becomes operational, there will be stricter controls on further development at Heathrow and Gatwick while Stansted, and perhaps also Luton, may have

to be shut. Thus, in the 1980s, Foulness will have to bear the burden of most of the extra passengers.

To try to suggest that all those millions, most of them coming from or going overseas, could be accommodated in an alternative system of STOL aircraft using existing airports or landing slots just outside other cities, is unrealistic—to say the least.

These figures would appear to demonstrate conclusively that a third major airport for London will become necessary by 1980, no matter where it is sited. The fact that the Government has decided, for environmental

and political reasons, that Foulness is the site has been the cause of some criticism in itself, but the one big advantage of Foulness is that it does offer room for expansion in the years ahead further out into the North Sea, although since the basic plan is to reclaim enough land for a four-runway airport eventually anyway, this additional expansion may not be necessary for many years to come.

The complexity of the task confronting the planners is enormous, and it could well be that one of the reasons why so little has been heard publicly about the scheme so far is that the civil servants have been reflecting upon the magnitude of the problem their political masters have put before them.

It covers virtually every aspect of life—hospitals, schools, shops, pubs and all the other requirements of society, quite apart from all the services the airport and seaport and associated industrial complex will need.

The point to remember is that much of this will have to be covered by an overall master plan before the first dredger moves out to reclaim the land, for it will be useless simply to go ahead and reclaim land for an airport without first fixing the precise alignment of the runways, which in turn must depend to a large extent upon the precise location of the seaport—no pilot wants to land with dockside cranes just underneath the landing gear on the approach path.

In fact, the fundamental political and industrial decision about whether there is to be a major new seaport complex in the same area has still got to be taken—and at the earliest possible stage of the entire Foulness/Maplin planning operation. It is virtually the key to the whole venture in that its existence will govern a whole range of other factors—the precise airport site, the whereabouts (and the scale) of the road and rail access links, and so on.

## Master plan

In fact, once it has been decided in principle that there must be a seaport at Foulness, the whole operation assumes a new and larger scale that goes beyond what even Mr. Justice Roskill was investigating: there are many who believe that he did not give full weight to the seaport arguments in his final summary and conclusions.

Once the seaport decision is taken, its site can be determined, together with that of the airport, and the whole master-planning operation can begin to roll so that when the land reclamation is begun, probably in about two years, work can proceed steadily. It has been argued that in order to get the first runway in operation by 1980, work ought to start on land reclamation not later than 1974. Some bodies, such as the Thames Estuary Development Company (one of two consortia, the other being Thames Airport Group, interested in participating in the venture), has suggested that if land reclamation were to begin in 1972, the first runway could be constructed by 1976.

This would probably suit the requirements of the British Airports Authority, which would like to see the additional runway capacity as soon as pos-

sible. Whether it will now be possible to achieve such a time scale, however, seeing that it is now late 1971 and the nothing has yet been done by the Government, is debatable.

One of the biggest problems the Government has still to settle is how to undertake the whole scheme, as well as how to finance it. Out of the estimated long-term cost of perhaps as much as £1,000m., the British Airports Authority alone reckons that it will have to find some £150m. for terminal buildings, aprons, runways and ancillary services such as runway lighting, before the first aircraft ever pays a landing fee.

This "front-end loading" of the capital cost of the airport will cost the Airports Authority dearly in interest payment before it can earn revenue from the third airport, which is why it is seeking to build up its profits now from its existing airports.

It is at this stage that the concept of private capital involvement in the whole venture becomes significant. As yet, no Government decision has been taken but there are the two consortia of companies, Thames Estuary Development Company (which has now formed a new company, Maplin Development) and Thames Airport Group which could form the basis of private capital injection into the scheme, quite apart from being able to undertake the actual construction work.

The other big question is overall control. There are some objections to the whole scheme being run by a committee of civil servants. One way out might be to take the day-to-day development work out of Whitehall, and put it into the hands of a specially-created "Foulness/Maplin Planning and Development Corporation," which would be directly subject to the Department of the Environment and to Parliament.

## Labour News

### Coventry tool men stop again to-day

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THOUSANDS of workers in Coventry are expected to absent themselves from the general return to work today in the Midlands of the motor and engineering industries, which have just finished a third week's holiday. It will be the third Monday strike by some 7,000 Coventry tool-makers who are trying to get reinstated, a wartime rate-fixing agreement related to the average earnings of skilled production workers. This has become a sticking-point for other motor industry workers, and in Coventry even for the employers. In cancelling the movement last month, the local Engineering Employers' Association told the Amalgamated Union of Engineering Workers "it thought it irrelevant and industrial."

The Monday strikes have cost the motor industry thousands of vehicles, and this—Monday, Triumph, Jaguar and Alfa (all in the British Leyland group), and Chrysler expect production to be severely curtailed again, with some thousands laid off.

## Closer estimate

The employers' association has made a check on the impact of the strikes on about 20 major concerns, such as Rolls-Royce, Alfred Herbert, and Massey-Ferguson, basing the motor manufacturers. This shows more than 4,000 employees on strike (about 1,400 at Rolls-Royce are engine division alone) with more than 10,000 laid off, although the picture at that time was complicated by internal disputes and strikes.

### Unions battle to recruit white-collar workers

BY ROY ROGERS, LABOUR STAFF

THE SCRAMBLE to recruit the many non-unionised white-collar workers in the City of London and other major centres has been joined in earnest by the National Union of Bank Employees and the Association of Scientific, Technical and Management Staffs.

NUBE claims that in the first three weeks of a new recruiting campaign it has recruited 1,500 new members in clearing banks alone. The campaign has a further week to run before emphasis is switched to Birmingham, Liverpool, Sheffield, Manchester, Leeds and Bristol.

NUBE is using 10 temporary recruiting staff, mainly industrial relations students, who are approaching City staff, and explaining how NUBE can help them, and helping to fill in membership application forms. The banking gains are important for NUBE because it and the bank staff associations negotiate jointly for clearing banks' staff and their voting strength on the joint body the Banking Staffs Council, is determined by their respective membership levels. The staff associations taken together currently have a slight majority over NUBE, which is hoping to reverse this position through its campaign.

Apart from its continuing membership battle with the staff associations, NUBE is coming under increasing pressure from the Labour Party to recruit more white-collar workers. The party's new general secretary, Mr. Clive Jenkins, has said that membership applications are still coming in at the rate of about 500 a month as a result of that campaign, which took the form of advertisements placed at commuter rail stations and in London evening papers. In addition, a certain amount of spin-off had been felt in the light engineering industry in the London area where membership applications had also increased considerably.

## Building societies

ASTMS and NUBE (which rejected a merger offer from ASTMS a few months ago) are in direct competition in the building societies which are still almost completely un-unionised. In addition, ASTMS is keen to make a breakthrough into banking, and NUBE would dearly like a foothold in insurance, a position which has already led to accusations of

### UCS chief unlikely to accept subordinate post at Govan

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, Sept. 26.

MR. KENNETH DOUGLAS, managing director of Upper Clyde Shipbuilders, now in liquidation, will, I understand, refuse to serve in any subordinate executive job at the new Government-sponsored Govan Shipbuilders. Back from his holiday, Mr. Douglas is still seeing Mr. Archibald Gilchrist, chief executive of Govan Shipbuilders, tomorrow.

Should he be offered a seat on the Board of the new company, Mr. Douglas may accept, though only on a part-time basis. He will not, however, consider serving under Mr. Gilchrist as a production director, personnel director or technical director. Mr. Douglas, now aged 50, has held the position of managing director for 17 years in turn at William Gray, Hartlepool; Austin and Pickersgill, Sunderland; and now UCS.

When in Glasgow last week, Mr. John Davies, Secretary for Trade and Industry, said he had been assured by Mr. Douglas about his willingness to assist with the planning of the future operations of the new company. Mr. Douglas has, in fact, given a similar undertaking to Mr. Robert Smith, the UCS liquidator.

But at the interview with Mr. Davies—which took place early this month before going on holiday—Mr. Douglas is also understood to have told the Minister that he would not accept a demotion in the environment where he had been operating as chief executive. Mr. Douglas's decision, if confirmed, would not be unexpected in view of his strong criticism of the Government's handling of the Upper Clyde situation as printed in an interview in a recent broadsheet published by the UCS shop stewards.

## Urgent tasks

The renegotiation of contracts for at least some of the 14 ships which lapsed with the liquidation of UCS is one of the most urgent tasks facing Mr. Gilchrist, apart from securing co-operation from the unions.

There already is an empty berth at the Govan yard, the only shipbuilding unit in the proposed new company (Linthouse, the other unit, is far steel fabrication only), with another becoming empty within the next few weeks when a Reardon-Smith bulk carrier is launched.

The owners are reluctant to raise the prices of ships. With the initial deposits lost as a result of liquidation, and in the present depressed state of the freight market, Mr. Gilchrist has an unenviable job in negotiating new prices which will ensure a profit.

A crucial meeting which may determine union co-operation in the new venture will take place on Wednesday when Mr. Stenhouse and Mr. Gilchrist meet Mr. Dan McGarvey, president of the Boilermakers Amalgamation (and also chairman of the shipbuilding section of the Confederation of Shipbuilding and Engineering Unions). Mr. Jack Service, general secretary of the Upper Clyde area, is also expected to be present.

Interest in Clydebank, now that Mr. Archibald Kelly, a Clydeside industrialist, has withdrawn, is now confined to Breakers Tankships, a Houston, Texas, group operating from Brussels head-quarters.

### Mrs. Castle attacks expulsion of Russians

BY ANDREW HARGRAVE

GLASGOW, Sept. 26.

LEADING Labour anti-Marketisers in the mass expulsion of Soviet officials accused of spying, sister undertones of a new cold war, with an enlarged European Economic Community playing a part in it.

"Why this sudden purge of Soviet diplomats?" asked Mrs. Barbara Castle at an anti-Common Market rally here to-day. "Why East-West relations—and a visit by Sir Alec Douglas-Home—into jeopardy?"

Her answer: "This is the last desperate fling of anti-Communist prejudice in this country to help the pro-Marketisers."

Waving a Sunday newspaper cutting which suggested that Soviet officials also tried to influence British politicians, trade unionists and generals against Common Market entry, Mrs. Castle referred scathingly to Labour colleagues who argued in favour of entry the ground of its internationalism. "Doesn't this smear make the whole international pretensions of the Marketisers stink?"

On a European security conference and pact? Mrs. Castle thought the present Government's action would "turn the clock back." Referring to the Prime Minister's recent statement about the role of NATO in an enlarged European Community—"closely integrated defence pacts, with nuclear arms, to make us independent from America"—according to Mrs. Castle—this was a "recipe for reopening the cold war," leading to a "division of the world and of Europe, in the name of European unity."

Mrs. Judith Hart, another Labour Front Bench spokesman, described the expulsion of the officials as a "typical failure to comprehend the realities of politics, the kind of political forces that operate in the world to-day."

"The Tory Government seems determined to recreate the cold war, looking for 'Communists' under the bed—and in all sorts of unexpected places."

### SUDAN SHIPPING LINE STEPS UP MERSEY SERVICE

The Sudan Shipping Line is increasing the frequency of its services from Liverpool to Red Sea ports to a sailing every 18 days, with the addition of two ships to the fleet next month.

The first of these vessels, the Marid, is expected in Liverpool on October 5 and her sister ship Shendi will follow later in the month. They will serve Port Sudan, Hodeidah and Mokha from Liverpool.

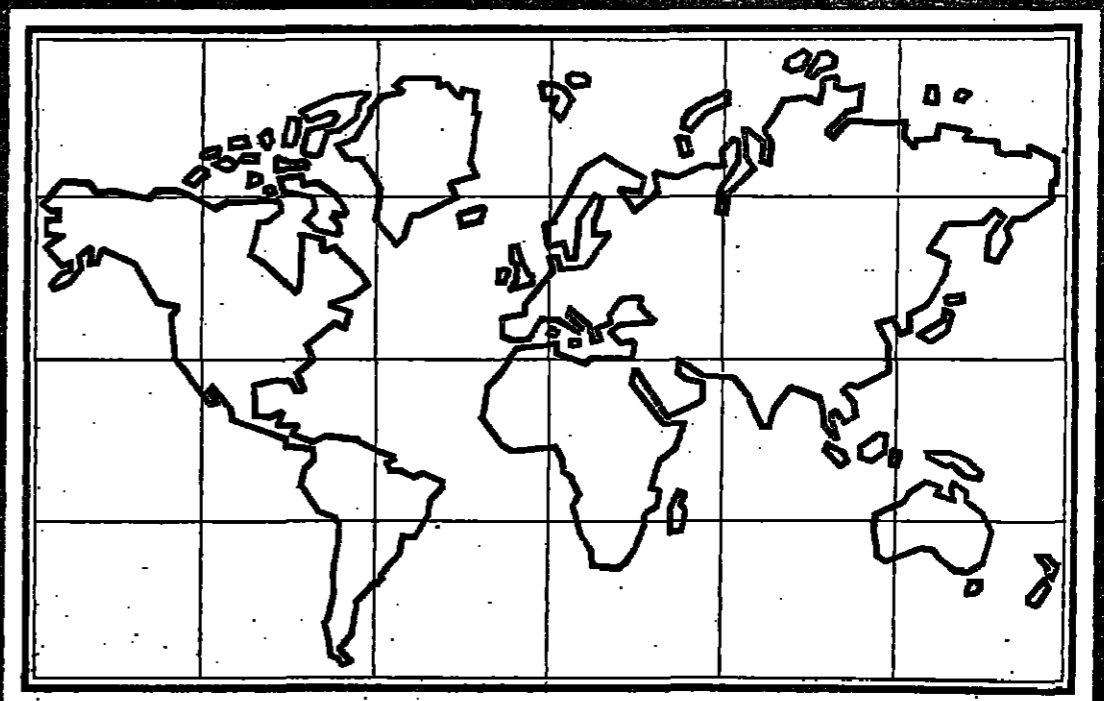
### Graduates' long-term job outlook 'not so bad'

THE LONG-TERM jobs market for graduates appears to be less black than it has been painted, according to Cornmarket Press.

The company's Directory of Opportunities for Graduates, in 1972, published to-day, forecasts that there will be nearly 20,000 jobs for graduates next summer with more than 500 employers, opportunities.

"The inclusion of 40 new employers in the Directory," Cornmarket Press comments, "shows that although there may be a shortage of plum jobs—caused not so much by a decrease in jobs, but by an increase in graduates—there is a continuing and steady growth in the overall number of opportunities."

## This is a large scale map of Manchester



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# COMPANY NEWS+COMMENT

## Imry sees further profit increase

MR. A. LEE, chairman of Imry Property Holdings, says that the company has continued to concentrate on building up high-grade developments, very largely in the office sector which should, as rent revisions occur and leases fall for renewal, continue to increase profits and the value of the portfolio.

A table in the directors' report sets out the "very substantial increases" in the value of the reversions which the directors estimate will accrue to the company over a period of years and clearly indicates the size of the benefits which the company should obtain as a result of this policy.

Having sought professional advice, they consider that excluding the value of the current development programme, the estimated increases in annual rents arising from reversions on the expiration of current leases and the operation of rent reviews are as follows:—Between 1971 and 1975 £128,000; between 1975 and 1980 £278,000; between 1980 and 1985 £220,000; between 1985 and 1990 £243,000; and 1990 £18,000.

The chairman feels he should restate that these increases are based upon a number of assumptions of rental values and it would be too speculative to estimate what further increases might occur over the next 30 years.

Total cost of developments in hand and due to commence by 1973, where all consents have been obtained, will involve an expenditure of £1,500,000. The company continues to acquire, as opportunities arise, additional sites and properties for future development.

In continuation of the group's policy of financing its development programme by long-term borrowings at fixed rates, a debenture of £700,000 was raised during the year from Norwich Union Life Insurance Society at 10½ per cent. Since March 31 a further £500,000 has been arranged at 10½ per cent.

In the year ended March 31, 1971, group profit before tax, improved from £321,869 to £339,129. As reported September 3 the dividend is unchanged at 13 pence.

At March 31 group properties appeared as £11,635 (£10,444n) and mortgages totalling £7,24m (£5,77m).

Meeting, Connaught Rooms, W.C., October 19 at noon.

**comment**  
Imry Property's 51 per cent. gain at pre-tax level in 1970-71 becomes a small reverse if the non-recurring dealing profits are excluded. However, the shares have risen by 7 pence since the preliminary statement and are currently standing at a 1971 peak of 235p. The annual accounts show that while the return on

To bring readers up-to-date with the events of the past week we publish to-day on pages 30, 31 and 32 summaries of the main company announcements which would normally have appeared under Company News and Comment on the four days on which the Financial Times did not appear.

Announcements made at the week-end appear as usual on this page and page 29.

## Kangol indicates profit rise

INDICATIONS ARE that profit before tax, of Kangol for the current year will exceed the £311,971 for 1970, the directors state.

First half profit expanded from £105,169 to £130,012—a larger increase than was expected.

Headwear turnover rose 10 per cent. to £1,439,247, 1971, group profit before tax, improved from £321,869 to £339,129. As reported September 3 the dividend is unchanged at 13 pence.

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An unchanged 10 per cent. interim dividend is declared—the 1970 final was 15 pence.

## Universal Underwear progress

CURRENT YEAR profit of Universal Underwear is expected to show a "further satisfactory increase," says chairman, Mr. J. L. Turner.

In its first year to May 1, 1971, as a public company group pre-tax profit was £151,246 and the dividend 27½ pence, against the prospectus forecast of £130,000 and 25 pence.

Sales for the first 20 weeks of the current year are up 21 per cent. The order book is full and the Wrexham and Ripley factories are working to full capacity.

Production from a third factory, recently opened in Worcester, has started to come through satisfactorily, the chairman adds.

Meeting, Winchester House, E.C., October 20 at 3 p.m.

**comment**  
Universal Underwear certainly lived its flotation right. After three years on an earnings plateau, pre-tax profits for 1970-71 were up by over 21 times while the prospectus forecast was exceeded by 16 per cent. What is more, U.U. looks destined for further growth in the current year. If the sales growth after 20 weeks can be translated into profits, assuming of course unchanged margins, the group is heading for a pre-tax figure of near £180,000 for 1971-72. This leaves the shares at 59p on a p/e of 9.6—compared to a possible prospective multiple of around 8—looking a shade behind events.

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## DIVIDENDS ANNOUNCED

Company	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Union International	10	—	10	10	10

that this trend will continue, says chairman Sir Miles Clifford.

Regarding payments from Nigeria Sir Miles is of the opinion that as that country gets back to its feet and the yield of foreign exchange from increasing oil exploitation improves, the flow of remittances will be stepped up. But he stresses that the process will be slow.

As reported on September 15 group pre-tax profit for the year to February 28, 1971, was £230,461 (£265,512).

Meeting, Management House, Parker Street, W.C., October 19, noon.

**comment**  
The following securities have been added to the Share Information Service appearing in the Financial Times.

Allied Polymer Group (Section: Industrials (Misc.)).

Canon Street 3½ per cent. Partly Convertible Unsecured Loan Stock (Section: Investment Trusts).

City and Overseas Trust (Section: Investment Trusts).

Kettering Motor Services (Section: Motor-Components).

Lawdon (Section: Property).

McIntyre and Sons (Section: Industrials (Misc.)).

Levi Strauss and Co. (Section: Overseas-New York-Industrials).

**comment**  
The Heywood Williams Group has started the current year with order taking situation and trading results to date are ahead of those for the similar period last year, says chairman, Mr. R. E. Scholes.

The group's industrial sector of the building industry in the U.K. remains sluggish, he points out, but the market for offices, schools, and hospitals continues to expand.

In South Africa, the rapid pro-

gress made by the group subsidiaries over the past two years continues and the forward order book is encouraging, he reports.

As reported on August 19, group profit before tax, for the year ended May 2, 1971, was £215,490 compared with a loss of £215,087 in 1970. There is, again, no dividend.

All available cash resources are required to finance increasing turnover in both the U.K. and South Africa. The chairman is confident that the benefit of this action "will be felt in the not too distant future."

Meeting, Park Lane Hotel, W., October 19, at 12.30 p.m.

**comment**  
Following integration and the period of consolidation, the group is in "fine shape" and, given continuance of the present level of industrial activity and a curbing of the present high rate of inflation, the chairman is confident that the group will give a good account of itself and continue to improve.

As reported on August 18, group profit before tax, for the year ended April 30, 1971, rose from £37,114 to £1,044,038. The dividend is held at 20 pence, and a one-for-one scrip issue is proposed.

The chairman says the profit rise reflects an improvement in efficiency and budgetary control throughout a year when, though, the group was trying to contain costs in the face of rapid inflation.

The group trades in timber, sheet materials, and doors/joinery. Meeting, Manchester, October 28, at noon.

**comment**  
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# COMPANY NEWS + COMMENT

MONDAY

## Richard Johnson & Nephew pays more

Directors of Richard Johnson and Nephew, wire manufacturers, are paying a special interim (in lieu of a final) of 5 per cent. making 22 per cent. for the fifteen months ended June 26, 1977. This is equivalent to an annual rate of 17.8 per cent. (compared with 15 per cent. for the previous year). This annual rate will be at least maintained for the current year.

Turnover for the 15 months was £67.92m. and pre-tax profits amounted to £2,520m. In the 12 months to March 28, 1977, the figures were £51.32m. and £1.42m. respectively.

Earnings per share (on an annual basis) are shown at 37.7p (20.1p).

On an annual basis, Johnson's pre-tax profits are up 59 per cent. on a sales rise of only 6 per cent. This, while sales have been affected by depressed trading conditions, especially in the steel sector, the group's extensive cost-cutting efforts have continued to pay off. Difficult conditions have persisted into the current year with demand at a low level throughout the group, and any further reduction in sales is feared. However, Johnson can continue to improve its margins. However, given that the reorganisation which started in 1969 is still far from completed, it seems a fair prospect. So the shares at 36p may be rather cautiously rated on a fully diluted annual p/e of 8.4.

## Ellerman Lines loss £1,605,000

ON A TURNOVER up from £45.35m. to £47.29m., Ellerman Lines incurred a group pre-tax loss of £1,605,000, against a profit of £783,000 for 1976. The dividend on the privately held deferred capital is maintained at 6 per cent. The group's losses are mainly from unprofitable increases in operating costs and exceptional impact of U.K. dock strikes and also the introduction of the second phase of the Devlin labour scheme.

The directors are continuing to examine the whole of the group's shipping activities with a view to ensuring efficient operation and containing costs. Chairman, Mr. D. F. Martin-Jenkins, says the Board share the views recently expressed about the need for profitability in British liner shipping, and it is essential that the company presses for freight rates which do provide a reasonable margin. On diversification, he says the company's travel interests have

greatly increased and they are confident of building a profitable ancillary to shipping interests. Group properties have a market value of approximately £5m. above book values.

1976 1977  
Turnover £45,350,000 £47,290,000  
Profit before tax £783,000 (£1,605,000)  
Dividend 22% (15%)

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## Armour Trust on target

As forecast, the Board of Armour Trust is recommending a final dividend of 8 per cent. for the sixteen months ended April 30, 1977. The dividend is payable on the ordinary shares of the company, and is subject to the approval of the shareholders at the annual general meeting. The dividend is payable on the ordinary shares of the company, and is subject to the approval of the shareholders at the annual general meeting.

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## Stanwood's progress

Group pre-tax profit of Stanwood Radio increased from £12.675 to £26.491 for the first half of 1977 and an advance on the £20,004 for 1976 is expected for the full year.

Interim dividends are resumed with a declaration of 34 per cent. A single payment of 5 per cent. was made for 1976.

Although the rental share of first half turnover at Stanwood Radio has increased from 26 per cent. to 35.5 per cent., more recently there has been a revival of hp business, which has jumped 50 per cent. since the July relaxation of credit controls. This can be no help to the problem of financing television sets for rental. However, the continuing build-up of the rental industry will generate an increasing cash flow and depreciation and interest charges will be less of a burden in the medium term. But the heavy debt position—short term borrowing must now be well over £2m. against an equity capitalisation of £12m.—revives the question of a funding operation. The company's prospective p/e of 12.1 at 24p (assuming £100,000 pre-tax profit and a nil tax charge) and a price/cash flow ratio as low as 3 seem to take account of the problems.

Patenting Rubber Estates is raising its interim dividend from 7½ to 8½ per cent.—the highest

the remainder of the group over a 16-month period. After £3,000 (nil) minorities, available profit was £113,000. The dividend absorbs £47,000 (£16,000).

The vendors of DRH warranted pre-tax profits for the year to April 30, 1977, of not less than £125,000. This has been substantially exceeded. Turnover for the first three months of the current year shows a material increase over the comparable period last year and the Board expects this improvement to continue.

Armour has recently concluded negotiations with Slater Walker for the provision to DRH of a £500,000 medium-term loan, satisfactory terms to enable DRH to expand at a faster rate than previously envisaged.

Present indications are that The Neville Group will improve in the current year, says chairman Mr. H. A. L. Dawes.

A major change of policy as to management has been taken place quickly and efficiently, he adds. As reported on August 12 group pre-tax profit for the year to March 31, 1977, was £2,520m. (£1,420m. for 1976) and the dividend is maintained at 23 per cent.

At present the group has 11 subsidiaries. Since the year end G. C. Phillips has been sold. Terms have been agreed in principle for the sale of the 55 per cent. interest in holders of Congressbury and negotiations are at an advanced stage in the realisation of the sale of the 70 per cent. interest in St. John's House, a property investment company, is under consideration. A breakdown of turnover (£000s omitted) £10,995 (£9,255), applicable to non-banking interests shows manufacturing and processing £3,650 (£2,907); service industries £3,093 (£3,398); distribution £4,248 (£1,220); food and catering £2,113 (£1,730).

There was a compensation payment of £5,000 to a former director for loss of office. Meeting, Birmingham, October 8, at 12.30 p.m.

## IFS profit growth

Pre-tax profits of £407,000 for the year to June 30, 1977 (compared with £208,000 for 1976) are reported by International Finance and Services, the export finance house in the United Kingdom Trust Group. During the year IFS provided more than £30m. in credits—50 per cent. more than in the year to June 30, 1976—to overseas buyers of British goods in more than 60 countries.

The growth of business handled in co-operation with overseas companies in the UDT group was especially encouraging, says Mr. G. L. Standing, chairman. There has also been a further increase in the business and profits of IFS's Swiss subsidiary, UDT Internationale Finanz AG, which finances the international movement of goods, including those of the U.K. Julius Bär and

while preserving maximum benefit from transitional (overspill) tax relief for 1977. It will take the form of a 10 per cent. dividend, together totalling 20 per cent. paid for the year to October 31, 1976.

The final dividend to be announced about March will be adjusted to take account of the difference in interim payments for the current and previous year (total dividend for 1969-70 was 37½ per cent.).

Metarx (Holdings), reports an increase from £174,419 to £201,578 in first-half profit on a reduced turnover of £1,650,958 (£1,724,342). Another record year.

For the year 1976 group profit was £384,615 on a turnover of £3,440,326. Mr. C. Coombs, chairman, explains that the first-half turnover increase was due to the general decline in demand in the engineering and allied industries. But with the advent of new national policies this regressive phase is disappearing. Order books are already improving which augurs well for yet another record year, he adds.

The interim dividend is effectively raised from 13.64 to 15 per cent. The 1970 total was equal to 34.84 per cent.

Metarx backs up six month profits growth—16 per cent. pre-tax—by a modestly bullish appraisal of the medium term outlook. Orders are currently running some 10 per cent. above the January-June level, which is a comfort at a time of improving margins, up by nearly a couple of points at 12 per cent. for the six months, though the 1970 July-December returns were 12.4 per cent. Past 12 months earnings rise from 3.6p a share to 3.5p if the six months growth trend can be maintained, which means a p/e ranging be-

Co. of Zurich and Norinvest A/S of Oslo are IFS's partners in this company.

## Harry Vincent pays 12½%

A GROUP trading profit almost doubled, from £33,543 to £103,729, is reported by confectionery and tobacco manufacturers Harry Vincent for the year ended June 26, 1977.

Against last year's 4 per cent. payment the directors are recommending 12½ per cent. Record sales have been achieved by all group companies, including "Blue Bird" home sales, exports and sales by the distributing companies. While costs continue to rise, steps taken should maintain the forward progress, directors state.

## Reckitt & Colman

Reckitt & Colman has decided to concentrate the production of its household goods in Germany at the factory at Recklinghausen in the Ruhr. Manufacture of freighters and aeroplanes will be transferred from Ellerbek, near Hamburg, early in 1978, and the factory will be sold. Shoe polish manufacture, for which there has been an important export trade from Germany, will be transferred to London.

These changes are part of the group's European rationalisation programme, which is planned for 1978. Much depends on the Christmas trade, he says. While in no way pessimistic, there are, as always, a number of factors which could adversely affect the results of the group. Low prices for primary products are "very much in evidence", and wool is at its lowest price for over 20 years.

Referring to favourable factors, the chairman says the Board is confident that when fully opera-

## S. Hoffnung cautious

Although sales for the first four months of the current year show an increase of over 7 per cent., it is too early to forecast results for the full year, chairman of S. Hoffnung and Co., Mr. H. Roland Bourne, tells members.

Much depends on the Christmas trade, he says. While in no way pessimistic, there are, as always, a number of factors which could adversely affect the results of the group. Low prices for primary products are "very much in evidence", and wool is at its lowest price for over 20 years.

Referring to favourable factors, the chairman says the Board is confident that when fully opera-

tion of the new warehouse will enable the group to handle a larger throughput more efficiently and economically and will also result in a reduction in overhead expenses.

Secondly, in the current year, Hoffnung will enjoy a full year's contribution to profits from both Aylward and Kennedy and Seymour. Thirdly, improved results from manufacturing subsidiaries are looked for.

For August 30 group profit, before tax, for the year ended March 31, 1977, increased from £1,020,203 to £1,308,944 and the total dividend is 36 per cent. (35 per cent.).

Record trades as wholesale and general merchants, shippers, exporters, etc. Meeting, Great Eastern Hotel, E.C., October 11 at 12.15 p.m.

## DIVIDENDS ANNOUNCED

Current payment % Date of payment % Corrected dividend % Total last year %

Ellerman Lines ..... 6 ..... 12 ..... 22 ..... 15  
Harry Vincent ..... 12½ ..... Dec. 12 ..... 23 ..... 15  
Richard Johnson, Nephew special int. (c) 5 Dec. 12 23 15

\* Equivalent after allowing for scrip issue. † Amount per share.  
(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) For 15 months.

## EVERED PROFIT IMPROVEMENT

Group pre-tax profit of Evered and Co. Holdings increased marginally from £198,000 to £206,000 in the first half of 1977 from a lower turnover of £3,224,000 (£3,753,000 for 1976), the turnover was £5,763,000, and profit £315,598.

First half net profit was £117,000 (£109,000) and for the year £189,594. For 1976, surplus tax was £1,000, and profit £33,454 were brought in. An unchanged interim dividend of 4 per cent. is declared. The 1970 total was 13½ per cent.

Directors also intend to offer for subscription by way of rights to holders of Income and Capital shares a further 750,000 Ordinary shares at 10p each, following which the company will have a total of 1,500,000 Ordinary shares. Such offer will be made on the basis equivalent to five new Ordinary and one warrant for every 20 Income shares and five new Ordinary and one warrant for every 10 Capital shares.

Price at which new Ordinary shares will be offered will be decided in light of market conditions and are expected to be around 10p. The offer will be made on the basis equivalent to five new Ordinary and one warrant for every 20 Income shares and five new Ordinary and one warrant for every 10 Capital shares.

Leeds Assets announces that holders of Convertible stock will be entitled to participate in the one-for-five rights issue of deferred ordinary shares at 50p announced two weeks ago. They will be offered deferred shares at 80p in proportion of 27 deferred for every £100 nominal of convertible stock.

## UNIT TRUSTS

JASCOT COMPOUND INITIAL OFFER

Jascot Securities, based in Edinburgh, is making an introductory offer of units in its Compound Fund at 25p each to yield an estimated 6 per cent. gross. The offer closes on October 15, with the minimum investment set at 550.

Announced last Friday, the new fund sets out to achieve above average capital growth and yield

U.S. finance for Montagu

Marsh and McLennan, U.S. based insurance brokers, is putting £5m. of new money into the insurance interests of Montagu Trust. The London group has reached agreement in principle to form a new company to hold certain of its insurance and other related interests in the U.K. and abroad. These are principally Bland and E. W. Payne, among the leading insurance brokers in London.

Following the formation of the new company, Marsh and McLennan will subscribe for new shares giving it 20 per cent. of the equity of the new group. Marsh and McLennan, a subsidiary of the Mariannan Corporation, is the biggest insurance broking organisation in the world, and is a large player of business on the London market.

Mr. Francis O'Brien Newman, chairman of Montagu Trust, explained that the move was designed to cement the close business association which its insurance companies had had with Marsh and McLennan for many years.

The combined profits of the proposed new company for the year ended March 31, 1977, were about £1.9m. after tax.

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## ANGLO-WELSH INVESTMENT

Anglo-Welsh Investment proposes to convert and consolidate its existing issued 1.5m. Income 25p shares into 750,000 12½ per cent. convertible preference shares; also to convert and consolidate existing issued 750,000 Capital 25p shares into 375,000 Ordinary 50p shares; to increase authorised share capital of company to £1.5m. by creation of a further 1.5m. Ordinary 50p and to make a scrip issue to Capital holders of 375,000 Ordinary 50p shares at rate of one Ordinary share for every two Capital shares held on September 10.

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ROSEHAUGH

## MINING NEWS

Union Minière's new Australian venture

BY LESLIE PARKER, MINING EDITOR

An interesting development in the Australian prospecting scene comes from Union Minière, the Belgian subsidiary of Belgium's Union Minière de Belgique. The company, a subsidiary of the American's Newmont Mining Corporation, and Imperial Chemical Industries (ICI) have formed a joint venture with Mount Carrington Mines.

The initial objective is the further exploration of the New Zealand (ICIANZ) Union Minière's Mount Carrington Mines. The initial objective is the further exploration of the New Zealand (ICIANZ) Union Minière's Mount Carrington Mines.

The interest therein shown by such a powerful consortium should provide a modicum of comfort for the shareholders of Mount Carrington who paid 23.5p for the shares when the Australian exploration company was floated under good auspices and who now seem languishing at about 7p.

Cornwall Property (Holdings) Alliance

Merger terms have been agreed by Cornwall Property (Holdings) Alliance and Cornwall Property (Holdings) Alliance.

Revised GUS bid for Henry

## BIDS AND DEALS

Sime Darby revises Seafield terms

The offer from Sime Darby L. Mortelman, says that result Holdings for Seafield Amalgamated for the half year to March 31 should have been extended until a loss before tax of £80,000 is reached further notice and revised in the interim in financial charge following terms on ships under construction a

For every 10 Seafield Ordinary £100,000. Mr. Mortelman comments that the three Sime Darby Ordinary and the 36p of 10 per cent. unsecured results for the second half of loan stock 1977 with detachable traditionally better than those in warrants. Mr. Mortelman will arrange to provide a cash alternative to the warrant stock as follows: For every £100 of stock without warrants, £100 for each warrant 25p.

Terms of the warrant stock will be similar to those for the original offer, namely, that 50 warrants will be attached to every £100 of the unsecured loan stock and each will entitle the holder to subscribe for one Ordinary of Sime Darby at 75p during the years 1977-78 inclusive.

Interested holders will be entitled to a special interim of 20 per cent. in respect of the year to September 30. Interest will be payable on the warrant stock from October 1, 1977.

The Sime Darby Board is forecasting pre-tax profits for the year to June 30, 1977, of not less than £8m. against an estimate of £2.6m. for the previous 12 months. The dividend for the year of 23 per cent. (18½ per cent.).

THOMAS POOLE

Thomas Poole and Gladstone China, makers of Royal Stafford bone china, have acquired Labco Investments (Gladstone) Ltd. of its stated policy of broadening its base as an investment holding group. The acquired company is a subsidiary of the investment trust used as an offshoot of the U.S. Leasco computer group which in 1969 unsuccessfully bid for the hard-hat Pergamon Press.

Consideration for the deal is the issue by Poole of 1.5m. Ordinary 5p shares, following which Labco Investments will own nearly 21½ per cent. of the Poole group.

Meanwhile, Galleys Group, whose chairman Mr. J. E. Nash also heads Poole, has disposed of its 2.7m. shares in Poole at 5p each. This holding represents some 17 per cent. of Galleys' investment in Poole and the sale is in line with Galleys' plan to concentrate interests in caravan distribution and caravan holiday parks.

In line with the plan, Galleys has acquired Bantz and Dorset Caravan Service for £120,000, satisfied by £70,000 on completion and two further annual instalments of £25,000. It and D.P. pre-tax profit for the year to March 1977, amounted to £20,594 and its net assets at that time totalled £79,795.

## GRAMGAS

The Board of Gramgas announces that negotiations are proceeding and are expected to lead to the acquisition of the capital of two companies operating in the insurance broking field. Contracts are expected to be exchanged within the next few weeks. A request has been made to the Stock Exchange to suspend the companies' quotation pending the outcome and circularisation of the full details to shareholders.

## GENERAL STEAM

The formal offer document relating to the cash offer by P & O to acquire General Steam Navigation has now been sent out by Leazard Brothers.

In a letter recommending the offer, the GSN chairman, Mr. D. Board,

## JESSEL-HUDSON

Robert Hudson Group says the talks started last month will be similar to those for the original offer, namely, that 50 warrants will be attached to every £100 of the unsecured loan stock and each will entitle the holder to subscribe for one Ordinary of Sime Darby at 75p during the years 1977-78 inclusive.

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## HUME HOLDINGS

Hume Holdings has disposed of its holding of 438,500 shares in General Steam Navigation (G.S.N.) to Leazard Brothers. The offer is for 438,500 shares (25 per cent. of Lethian capital). In a letter recommending the offer, the GSN chairman, Mr. D. Board,

## THE WRITING OF THE WALL

What may be regarded as the writing of the wall in the context of the present world-wide economic situation is the collapse of prices in the London market for the various types of the project world-wide economic situation. The project world-wide economic situation is the collapse of prices in the London market for the various types of the project world-wide economic situation.

Production of 0.3m. tons of ammonium sulphate in the first half of 1977 was 10 per cent. below the target of 0.33m. tons. This was due to a combination of factors, including a shortage of raw materials and a decline in demand.

# COMPANY NEWS + COMMENT

## WEDNESDAY

### Lead Industries first half downturn

At a reduction from \$4.14m. to \$3.77m. in profit, before tax, reported by Lead Industries Group for the six months ended June 30, 1971.

An unchanged interim dividend of 24 pence is declared; the total for 1970 was 11 pence paid from profits of \$7.35m.

The directors point out that the corresponding period in 1970 was exceptionally active, particularly on the metallurgical side, and overall the first-half results are very similar to those for the 1969 first half.

On the metallurgical side, world prices for lead and zinc have fallen considerably, and in line with this, the U.K. smelting activities are relatively quiet. The reduced demand for many products based on these metals experienced in the latter half of 1970 has continued.

In the paint and ceramic divisions, on the other hand, active though competitive trading has continued.

Profit of overseas companies also showed a reduction due to conditions on the metallurgical side, and to the occurrence of inflationary conditions in Argentina. Associated companies showed a small reduction in earnings.

There is as yet little sign of an improvement in the U.K. economy and overall current trading is not significantly different from the position ruling in the first half, directors report.

**comment**  
The troubles apparent in the second half of 1970, when profits dipped 11 per cent, have continued into the first six months of 1971 and Lead Industries is now reporting a drop of 10 per cent at the pre-tax level. Little improvement in the trading position has been seen so far in the current half which suggests doubled sixth month earnings as the likely outcome for 1971. This would put the shares at 120p on a prospective p/e of 11.7, which appears to have the situation weighed up nicely.

**Crest Homes**  
**7½% extra and scrip**

Reporting a sharp advance in profits, Crest Homes is raising its dividend from 32½ pence to 35 pence for the year to July 31, 1971. The increase is 7½ per cent. In addition, a 1-for-1 scrip issue is proposed for holders registered October 15.

After being ahead from £181,844 to £220,584 at half-way, the year's profit has advanced to £220,584, a full year from P and J Plant Hire and Haulage, increased to £206,000 from £225,000. Tax takes £220,000 (£230,000).

Cost of the dividend total is £120,000 (£90,000) two directors have waived dividends totalling £17,000.

Current group trading activities are proceeding in a very satisfactory manner, and directors anticipate a further advance in profits in the current year.

**Warren Tea**  
**holdings 6%**

As foreshadowed, Warren Tea Holdings is maintaining its dividend at 6 pence for the year 1970.

Group profits were slightly up at £490,400 (£469,155) but the heaviest tax of £130,400 (£102,700) and minorities £24,282 (£24,474), the attributable balance has down from £246,659 to £174,406.

### BICC profit & interim up

British Insulated Callender's Cables has made a very good start to 1971, reports the chairman Lord McFadden. As progress is being maintained he is confident the year's results should show the overall improvement he forecast in April.

For the first six months to June 30, 1971, operating profit at £17m. is an increase of 20 per cent over last year, while the net balance attributable to £5.57m. is an advance of 34 per cent; and a further encouraging step to the return we simply must ensure the continued development of the group.

The interim dividend is raised from 2.25p to 2.50p per 50p share, from stated earnings of 5.38p (£4.38p); the 1970 total was 7p from earnings of 9.30p.

The reduction in sales value is due to the lower prices for metals and for copper in particular, the average price of the latter being around 30 per cent less than for the corresponding period of last year.

Overseas operations continued to make progress and home operations have come up to "best expectations." Other vital factors have been the continuation and expansion of the same favourable reasons which contributed to profit growth in 1970, namely, steady demand; benefit of heavy capital expenditure; a still higher overall efficiency; and good industrial relations.

In finance charges, the substantial savings through lower overheads and interest rates have more than offset the higher total charge for the dollar financing of the shareholding in General Cable Corporation, which charge only applied for part of the first six months of 1971.

In line with the most up-to-date accounting views, comparative figures have been restated so as to charge against operating profit the cost of excluding financial items the reorganisation expenditure of £896,000, less tax relief of £289,000.

The latest accounts of Tersons, for the year to March 31, 1971, disclose that no further total gains are required against losses and, therefore, the BICC group results for the half-year have not been affected.

**comment**  
The interim dividend is raised from 2.25p to 2.50p per 50p share, from stated earnings of 5.38p (£4.38p); the 1970 total was 7p from earnings of 9.30p.

**BOC £5.9m. net after nine months**

GROUP NET attributable profits, after tax and minorities, of British Oxygen at £5.94m for the nine months to June 30, 1971, are £465,800 up on the corresponding 1970 period.

The balance was showing an improvement of £306,000 at £3,92,000 at the end of the first six months. For all of the year to September 30, 1970, the net figure was £774,000.

In the interim report last June, the directors said the general expected growth in U.K. profits had been achieved but Metals Division had had to face a sharp fall in demand which severely reduced its contribution and had been also a slackening in demand for some equipment products. It then seemed unlikely they added, that there would be any substantial recovery in these areas over the remainder of the financial year.

**BET to exceed £10m. net**

While stressing that any forecast could be rendered unrealistic by a deterioration in the economy, Sir John Spencer Willis, chairman of the British Electric Traction Company, feels that current year net attributable profits should exceed £10m, compared with £9m. in 1970-71.

Referring to the change in the group's interests pattern since the sale of the U.K. bus interests in 1968, he points out that in 1967 some 22 per cent of net earnings were from passenger road transport, while today, with the £26m. sale proceeds re-invested, "not only do we derive an increased income from a larger number of sources, but our new businesses are in what we consider to be growth areas."

### Crane Fruehauf setback

A fall of £214,000 to £514,000 in profit before tax is reported by Crane Fruehauf Trailers for the six months ended June 30, 1971. This reduction is attributable to technical and production difficulties in the Container company and from the need to provide for penalty charges for late delivery of containers which resulted in a half year loss of £231,000, explains chairman Mr. R. G. Hooker.

The remainder of the company's activities have maintained a good level of sales and profits. The new developments in vans, tankers and trailer rentals are making satisfactory progress and prospects are "encouraging."

An interim dividend of 5 pence is declared. This is half the annual rate of dividend of 10 pence, in respect of 1970 and compares with an interim of 4 pence last year. Profit for 1970 was £143m.

**comment**  
Crane Fruehauf's 30 per cent. fall in pre-tax profits took the market by surprise on Tuesday and despite recent evidence of stagnant demand for both trailers and containers, the shares fell 12p to 56p. With no indication of a pick-up in demand for either product yet the group's chances of a second-half recovery seem slight. The shares although now standing at 51p still remain vulnerable on a prospective p/e of 13.7 (doubling first half profits).

**Stocklake pays 17% total**

Pre-tax profit of Stocklake Holdings rose from £94,857 to £1,830,119 in the year to March 31, 1971, after being £127,000 to £469,000 at half-way.

The dividend is effectively raised from 12.25p to 17 pence, with a final of 11 pence.

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**Procter & Gamble**

Procter and Gamble reports a net profit of £3,786,000 for the year ended June 30, 1971, compared with £2,916,000 after tax of £2,265,000 (£2,440,000). Turnover is up from £65,910 to £68,710.

In terms of sales volume, turnover and profits this has been a satisfactory year, the directors state. A useful contribution to the profit advance was made by export business which achieved record sales.

The report notes the intensely competitive conditions which characterise its markets, deriving in part from the nature of the products themselves which are low price and purchased frequently.

A new detergent plant at the Essex factory has come on stream, reaching the planned level of production in a third of the time predicted. Further investment is seen in another major construction project, a new distribution centre near London, expected to be operational by 1973.

**Bank of Scotland growth**

Pre-tax profit of the Bank of Scotland rose from £4,130,000 to £5,002,000 in the six months to August 31, 1971. The interim dividend is held at 8 pence.

Previous total profit of £1,789,000 was paid out of £1,789,000.

Directors say the increased profit stems from the further expansion of business and the success sustained efforts to improve earnings and efficiency to offset steeply rising costs.

The effect of the new measures for credit control and competition are difficult to foresee, they add, and will depend on the outcome of the full year's trading before deciding whether an increased dividend is justified.

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## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div. %	Total for year	Total last year
Assam Consolidated	10	—	8	10	8
BICC	12½p	Nov. 19	2½	12½	7p
Bank of Scotland	8	Oct. 15	8	15	10
Bank of Montreal	10	—	10	15	12
Calcutta Electric	84	Sept. 29	81	20	13
Crane Fruehauf	5	Nov. 18	61	10	10
Crest Homes	25	Dec. 17	20	40	32
Heavy Foster Bldg.	12	Nov. 8	5	—	—
HIC	10	Oct. 29	12	—	—
C. H. Johnson	Nil	—	—	—	—
Lead Industries	34	Nov. 30	34	—	—
Raine Engineering	15	—	15	23	23
Geo. H. Scholes	110p	Nov. 24	(d) 8.75p	15p	11.25p
Scottish Australian	2½	Nov. 29	2½	24	24
Southern Construction	5	Oct. 27	5	—	—
Small & Tidman	10	Nov. 30	7½	—	—
Staplegreen	18p	Oct. 26	9p	12½p	12½p
Stocklake	11½	Oct. 27	10	17	15.62
Trinidad Canadian	7½	—	7½	—	—
U.K. Capitals Trust	2½	Nov. 8	2½	—	—
Universal Underwear	17½	Oct. 28	—	—	—
J. H. Vavasour	6	Nov. 23	6	16	14
Wadham Stringer	6	Nov. 11	6	6	6
Warren Tea	6	Oct. 18	5	—	—
H. Woodward	6	—	—	—	—

\* Equivalent after allowing for scrip issue. † Amount per share.  
(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) For 9 months. (d) Included bonus 2½p. (e) 25 pence.

and construction of industrial and commercial buildings.

**Wadham Stringer**

Continued reorganisation and restructuring, together with generally improved trading conditions, has enabled Wadham Stringer to show further progress.

For the six months to June 30, 1971, turnover, excluding purchase of land, was £235,000, compared with £224,500, which included £151,500 insurance recovery.

**comment**  
Mr. F. C. Stringer, chairman, says the company is already starting to benefit from the reduction in the purchase price of the shares, and the share price has risen to 56p.

With both pre-tax profits and margins well ahead in the first six months of 1971, Wadham Stringer looks set for a bumper year. The share price has risen to 56p.

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## BIDS AND DEALS

### Cavenham bids for Wright's & Moore's

With scarcely a breath after its successful bid for Bovril, Mr. Jimmy Goldsmith's Cavenham Food group announces it has made bids worth a total of nearly £10m. for Wright's Biscuits and its associate company Moore's Stores.

Proposed terms are not disclosed to the market, however, for Cavenham will put a value of 45p on each Wright's Ordinary and "A" Ordinary compared with the 38p (up 5p) at which the Ordinary stood before the announcement.

Mr. W. Webster, Wright's 72-year-old chairman, and his wife have agreed to sell to Cavenham their holdings in Wright's totalling 41 per cent of the votes.

15 management shares owned by their holding in Moore's totalling 5 per cent of the equity, to Cavenham, and Wright's holds a further 42 per cent of Moore's.

The purchases are conditional on Cavenham's ability to obtain a satisfactory accountants' report. (There is also the possibility of a counter bid in view of Wright's assets which have a book value of more than £100m.)

Wright's is expected to make a loss of more than £500,000 to the year to July 3, 1971 (£59,310 in the previous 12 months).

If management shares are sold, Cavenham intends to enter into arrangements with the Southland Corporation whereby the interests in Wright's assets will be part of the joint venture of Cavenham and Southland.

Cavenham has about 400 confectionery and tobacco shops which are being jointly owned with Southland of Bournemouth. Apart from its biscuit manufacturing interests, Wright's has more than 500 retail outlets while Moore's has 620 or so.

**COMMERCIAL UNION IN CANADA**  
The Commercial Union group has completed negotiations for the acquisition of Planned Investment Corp. of Montreal, a mutual fund management and distribution company.

Planned Investment manages Taurus Funds, Plannes Resources and Canada Growth Fund. Commercial Union has agreed to offer any mutual funds in Canada.

Since dual licensing of fund and life insurance salesmen became possible in Canada over a year ago, a number of companies have made arrangements with mutual fund management firms to sell each others' products.

Approval of the deal has been won from both the Ontario and Quebec Securities Commissions.

**KUKICHERRA**  
Shareholders of Kukicherra Tea are to be asked to vote on a proposal in respect of the sale of the company's estates in India has been finally executed and the properties were transferred on September 10.

Under the terms of the agreement, the Kukicherra Tea Company is to be sold to a consortium of investors, including the British Overseas Airways Corporation, for a total of £1.5m.

**CONSTABLE HART**  
The offer from Thomas Roberts (Westminster) for Constable Hart is being considered by the directors of the company.

but the Roberts' Board has indicated it would be willing to make a new one of 42p cash for each CH ordinary (compared with the first bid of 32p and the second of 37p) for the company's 100,000 shares.

**WILLINGS SIGN**  
A new company, Willings Sign Division, has acquired from the Receiver, Mr. D. G. W. Ballard.

**RESULTS AND ACCOUNTS IN BRIEF**  
Depreciation £40,707 (£32,229). Short term interest £59,223 (£41,111). Adjusted interest £12,523 (£11,151).

Interest on 6 per cent. Notes nil (£1,515). Premium on bank redemption of 6 per cent. £1,515 (£1,515). Development rebate reserve £1,515 (£1,515). Development allowance £1,515 (£1,515). Deduct to reserves £1,515 (£1,515).

**PALMERSTON INVESTMENT TRUST**  
Result year to March 31, 1971 reported. The company's net assets were £1,515 (£1,515). Investments £1,515 (£1,515). Dividends £1,515 (£1,515). Profit after tax £1,515 (£1,515).

**RAINE ENGINEERING INDUSTRIES**  
Result year to March 31, 1971 reported. The company's net assets were £1,515 (£1,515). Investments £1,515 (£1,515). Dividends £1,515 (£1,515). Profit after tax £1,515 (£1,515).

**SOUTHERN CONSTRUCTIONS (HOLDINGS)**  
Result year to March 31, 1971 reported. The company's net assets were £1,515 (£1,515). Investments £1,515 (£1,515). Dividends £1,515 (£1,515). Profit after tax £1,515 (£1,515).

**UNITED CAPITALS INVESTMENT TRUST**  
Result year to March 31, 1971 reported. The company's net assets were £1,515 (£1,515). Investments £1,515 (£1,515). Dividends £1,515 (£1,515). Profit after tax £1,515 (£1,515).

## COMPANY NEWS + COMMENT

THURSDAY

## British Vita profit and interim up

MANCHESTER-based rubber and plastics group British Vita has lifted its first-half pre-tax profit from £21,641,000 to £29,788,000 and its interim dividend from equal to 6 per cent to 10 per cent.

Last June, at the time of the offer, subsequently lapsed, for Miles Redfern, the directors forecast maintenance of the actual 20 per cent total dividend on capital as increased by the one-for-four scrip issue. Pre-tax profit for all of 1970 was £17m.

Chairman Mr. Norman Grimshaw says both home and overseas profits increased. In particular, profits from the overseas associated companies were substantially higher.

However, in the latter part of the period and the start of the third quarter, margins in the U.K. were affected by the general slackening of activity. Since July, the company in the U.K. has been awaiting the effect of the stimulus given to the economy by the Government. Currently, consumer markets supplied by customers are reporting increased order books and given settled industrial relations in the industries supplying these markets, the increases should be reflected in group results.

Expansion of international activities is proceeding, the chairman adds.

First-half pre-tax profit of Benson International Systems increased from £17,000,000 to £29,788,000, fully supporting the chairman's optimism on margins, expressed last June, the directors state. Profits for the second half, however, will be affected by the economic measures recently introduced in the U.S. and the Board is forced to take a more cautious view of immediate future prospects.

This setback in the American market should be phased out by the end of 1971, and the long-term trend of the company's earnings will be unaffected, the directors add.

An unchanged interim dividend of 7 per cent is declared. Mr. F. Bennett and Mr. P. Bennett have waived their right to receive dividends on their holdings for 1971. A total of 23 per cent was paid for 1970 from a pre-tax profit of £35,000,000. The company manufactures a wide range of products for use in filing systems, catalogues, educational text and note books and selling aids.

External turnover ... 1971 1970  
Trading profit ... 1,210 840  
Share of profits ... 250 250  
Investment income ... 43 43  
Making ... 1,503 1,133  
Less: interest charges ... 112 102  
Profit ... 1,391 1,031  
Tax ... 265 265  
Net profit ... 1,126 766

● **comment**  
British Vita's first-half jump of 21 per cent pre-tax profit was achieved against a background of sluggish demand in the U.K. and the main impetus came from overseas, where profits rose 47 per cent.

The progress abroad has been maintained so far in the second half, and with consumer spending currently at a high level there seems a good chance of a pick-up at home in the final quarter, especially in the furniture and footwear divisions. Doubling the first-half profits puts the shares at 288p on a prospective p/e of 12.6, but this is probably more on reflection of the market's view of the shares than of the growth prospects.

● **comment**  
Benson's profits are 8 per cent ahead pre-tax, but with sales ahead by 16 per cent margins have suffered in the process. As for the current half, a rough time can be expected in the U.S.; the bulk of a group 50 per cent export ratio goes to North America, and the market already down to the bone, now faces the import surge. Against this, U.S. demand has been on a rising trend, and June price rises should offset the worst of the squeeze. Longer term, Benson has high hopes for a re-designed range: launch date here is December and unit manufacturing costs are reckoned to be nicely lower. But at least 12 months p/e of 14 needs all the optimism it can get, until the next (and possibly sizeable) acquisition comes along.

Statement Page 35

● **comment**  
Turnover for the 53 weeks for 1970 was £5,282 (£5,000 omitted)—ships, stores, fishing gear and engineering £4,608 and profit £383; refrigeration and air conditioning £539 and 24; caravans £1,138 and £53.

Export sales for the first half totalled £30,000 (£28,000). The right to be shareholders registered September 6 on the basis of one new Ordinary for every four shares held at 50p per share. Warrants will also be offered on the issue of 10p per share. Each warrant carries the right to subscribe for one Ordinary 25p share on October 31, 1973, 1974 and 1975 at 60p per share.

Net proceeds of the issue, estimated at £23,250, will be used to reduce borrowings.

● **comment**  
Cosalt has lost no time in making its presence felt in the market. Half-time profits are 25 per cent to the good, while the prospectus forecast has been bumped up 10 per cent. The company seems to be getting reasonable growth from the traditional products, and with the caravan side beginning to justify itself the shares deserve a rating that the 6.5 p/e at 54p is.

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sums assured amounted to £17,641,000 (£2,788,000) in the first half. Consideration for annuities purchased amounted to £730,000 (£252,000).

An unchanged interim dividend of 10 per cent is declared—total for 1970 was 35 per cent.

Statement Page 38

● **comment**  
The sales level so far for the second half has continued to be satisfactory, but it is very difficult to detect any firm trend as far as incoming orders are concerned.

They anticipate that profits for this period will be comparable with the corresponding period of 1970 (£3,000) which in itself was a record, but the rate of increase shown in the first half, cannot be expected to be maintained in the second period.

An interim dividend up from 10 per cent to 12 per cent is declared, but members are told it should not be assumed that the final 15 per cent previously will be similarly increased.

Half year 1971 1970  
Sales 740,000 600,100 1,274,264  
Trading profit 70,000 51,000 181,842  
Interest received 200 2,000 4,330  
Profit before tax 70,200 53,000 186,172  
Taxation 31,000 24,000 37,000  
Profit after tax 39,200 29,000 149,172  
Deprec. charged 15,000 15,000 31,216  
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## APPOINTMENTS

## Baker Perkins Holdings chief executive

From January 1 the European regional organisation of BAKER PERKINS HOLDINGS is to be merged with the two major operating companies, Baker Perkins Ltd. and Rose Forgrove. The U.K. manufacturing companies will assume direct responsibility for marketing their own products throughout Europe.

Mr. J. F. M. Braithwaite, a vice chairman, will be appointed managing director responsible for all group operations. The other vice chairman, Mr. R. H. Wilkins, will be director responsible for corporate development.



Mr. J. F. M. Braithwaite

Captain J. H. F. Eberle has been promoted to Rear-Admiral and will become director general, fleet services, in succession to Rear-Admiral P. White, in January.

Rear-Admiral White has been appointed to the post of Director of the Royal Naval School of Maritime Operations, in succession to Rear-Admiral W. T. C. Ridley, from February.

Mr. J. A. Roche has resigned as a director of PARINGA MINING AND EXPLORATION COMPANY.

Mr. J. C. Clark, managing director of Nylone Engineering Company, is to join the small firms advisory panel of the RUBBER AND PLASTICS PROCESSING INDUSTRY TRAINING BOARD.

Mr. W. H. Laidler has resigned as a director and secretary of GEORGE SPENCER & CO. J. May succeeds him as secretary.

Mr. John E. Johnson has been appointed a regional adviser to the Board of SAMUEL MONTAGU AND CO. He will be based in Sheffield. Mr. Johnson was regional director for the Midland Bank in Sheffield until his retirement earlier this year.

Mr. V. R. Baylis has been appointed managing director of SANCELLA, the new U.K. subsidiary of Svenska Cellulosa Aktiebolaget, the Swedish timber and paper group.

Mr. D. M. Pretlove has been appointed a director of CREDIT FACTORING and its subsidiary, Credit Factoring International, the National Westminster Bank Group factoring companies.

Mr. A. Jack Knight has been appointed marketing director of SWISH PRODUCTS (Duport).

Mr. W. C. Harris, general manager and a director of the Phoenix Assurance Company, has been elected president of the CHARTERED INSURANCE INSTITUTE for 1971-72.

Mr. R. G. Glenn, secretary and investment manager, and a director of the National Mutual Life Assurance Society, becomes deputy president.

Mr. Roy J. Collins has been appointed to the Board of R. P. SCHERER as sales director.

Mr. A. G. Ferguson, manager of the metals department, has been appointed a director of the BRITISH METAL CORPORATION.

Mr. David R. Stevens has been appointed a director of the MUNI CIPAL TRUST COMPANY. Mr. M. Ellison Rich has resigned as a

Rowlands, who is retiring from the post to devote more time to his duties as deputy director-general of the National Federation of Building Trades Employers.

Mr. S. L. Bragg has become vice-chancellor of BRUNEL UNIVERSITY following the retirement of Dr. James Topping.

Mr. E. R. Walton and Mr. E. Richmond have been appointed directors of G.W. MELTING FURNACES (Parkinson Cowan).

Mr. John H. Stanley has been appointed general manager in charge of the overseas department of the BANK OF IRELAND GROUP. He was formerly group foreign manager.

Mr. J. M. Osborn, at present financial controller of Brooke Bond Liebig, has been appointed finance director of BROOKE BOND OXO from October 18. He takes over from Mr. D. M. Taylor, who is leaving to take up an appointment outside the group. Mr. Osborn will be succeeded as financial controller of Brooke Bond Liebig by Mr. H. F. Somerville, who is at present deputy financial controller.

Mr. Allan N. Guest has been appointed an executive local director of the Newcastle upon Tyne district of BARCLAYS BANK from October 1.

Mr. Melville C. Bollen, a local director of the London Eastern district, has been appointed a local director of the Bank's London Northern district from the same date.

Mr. H. P. Sullivan is joining the Board of UNITED MERCHANTS AND MANUFACTURERS (U.K.), as chief executive of the domestic textile operations. He moves from AIC management consultants.

Mr. David Pearson has been appointed managing director of COMPUTAPRINT, part of the information group of IPC Business Press. He was previously general manager of the company.

Mr. R. P. H. Corden has been appointed a director of PORTFOLIO MANAGEMENT.

Mr. David Foster has been appointed managing director of GRAPTON HOUSE, a subsidiary of the Combined English Stores Group.

Mr. C. J. Sadgrove has been elected a member of the executive committee of the NATIONAL CONFERENCE OF FRIENDLY SOCIETIES.

Mr. John Phillips has been appointed managing director of BENTLEY ENGINEERING GROUP EXPORTS, part of the Sears Holdings group. Mr. Henry Adam has been made a director of the company. Both will form part of the team led by Mr. Christopher Wegerli, the newly appointed group marketing director.

Mr. Peter Williams has been appointed to the new post of sales director of PURNELL AND SONS.

The HOUSE BUILDERS FEDERATION has appointed Mr. Michael Latham director and chief executive from December 14. He will succeed Mr. Gordon

MAN KODAK COMPANY. He will complete the term of Mr. Austin J. Gould who resigned from the Board at the last quarterly meeting.

Mr. Anthony E. Grotton and Mr. Michael R. Amos have been appointed to the Board of MILLS TRUST AND INVESTMENT and Mr. Philip Mills continues as a director.

Mr. G. S. H. Manthe has been appointed a director of MERVYN YOUNG AND CO.

Mr. A. N. Christmas has been appointed director, Quality Assurance (Materials), Woolwich, in succession to Mr. H. Hollis who has retired from public service.

Mr. A. J. McCarthy has been appointed managing director of NATIONAL ADHESIVES AND RESINS. He succeeds Mr. L. J. Horan, who is returning to the U.S. parent company, National Starch and Chemical Corporation, as marketing manager, adhesives division.

Mr. John Brass, NATIONAL COAL BOARD member with special responsibility for Yorkshire and the North West, is also to be responsible for the Board's Northumberland, North Durham and South Durham Areas. This follows the retirement of Mr. William Crooks, who has been regional chairman for the Scottish coalfields and the North East since October, 1969.

Mr. Crooks will continue to act for the time being as regional chairman in Scotland. He also remains chairman of Associated Heat Services (Northern), and of the Northern Brick Company.

Mr. A. B. Murray, deputy manager of the Lombard Street office of the ROYAL BANK OF SCOTLAND, has been appointed joint manager with Mr. J. E. Riddell from October 1.

Mr. D. E. Piasent has been appointed a director of EASTERN PRODUCE (HOLDINGS).

Mr. L. S. F. Charles, assistant managing director of the British Aluminium Company, has been appointed a director of ALUMINIUM CORPORATION.

Mr. R. W. Marshall, managing director of Derek Crouch Construction Company, has been appointed to the Board of the parent company, DEREK CROUCH (CONTRACTORS).

Mr. G. W. Saunders has resigned from the Board of MANN EGERTON AND CO.

Mr. Peter Malloway has been appointed to the Board of COX OF WATFORD FURNITURE (Tube Investments).

Mr. T. W. Borges, who became a director of SMITH HOLDINGS (WHITWORTH) early this year, has been appointed chairman. He succeeds Mr. J. Walsh who has resigned from the Board on medical advice but will continue in a specialist executive capacity in one of its operating subsidiaries.

Mr. F. Leach has also resigned

from the Board, but will continue with the group as a consultant. The changes are from October 1.

Mr. Frederick Upshall will be appointed national president of the RETAIL CREDIT FEDERATION at the annual conference at Llandudno on September 30, in succession to Mr. Michael Lilley.

Sir John Greig Dunbar, a non-executive director of UNITED BISCUITS (HOLDINGS), has retired from the Board.

Dr. P. W. Dill-Russell, medical adviser of the OVERSEAS DEVELOPMENT ADMINISTRATION, has been appointed to succeed Dr. J. M. Lister as chief medical adviser on the latter's retirement on November 22.

Mr. D. C. Masterson has been appointed marketing director of WEST'S (MANCHESTER), a WGI company.

Mr. H. S. Fry has been appointed to the Board of WOLSTENHOLME BRONZE POWDERS. He is managing director of Hertfordshire Bronze Powder Works and S. Fry and Co., which were recently acquired by Wolstenholme Bronze Powders.

Mr. R. D. Bergesen, managing director of the European division of BRITISH LEYLAND INTERNATIONAL, has resigned for family and personal reasons. Pending the appointment of a replacement for Mr. Bergesen, Mr. Allen Sheppard, director BLI group staff, will be responsible for supervision of European division, BLI and BL Europe in Switzerland.

In addition to his current responsibilities Mr. A. T. Webster (managing director of overseas division) will take over responsibility for Eastern Europe.

Mr. E. D. Collas, a councillor of the Gurnsey States—the Island of Guernsey—has been appointed chairman of CHANNEL TELEVISION. He succeeds Senator Wilfred Kriebelski who resigned last April.

Mr. David Trill will relinquish his directorship of BARCLAYS BANK on his retirement as an executive local director of the Nottingham District on September 30.

Mr. Alan R. Rummelt has been appointed to the Board of N. G. BAILEY AND CO.

Mr. Herbert Schulz has been appointed managing director of HENRY BEAKBANE (FORTOX). He succeeds Mr. H. R. Beakbane, who is spending the next 12 months as a member of a management advisory team in Kenya and will become chairman on his return.

## BRAITHWAITE & CO. ENGINEERS LIMITED

### ANNUAL GENERAL MEETING

The Fiftieth Annual General Meeting of Shareholders of Braithwaite & Co. Engineers Limited was held on September 23 at Dorland House, 14/15 Regent Street, London, S.W.1. Mr. J. Harvey Humphreys, the Chairman, presided. Copies of which had been sent to the shareholders, the Chairman reported an improvement in the Company's profits. During the year the Company had obtained a valuable order from the British Steel Corporation for the design and fabrication of a large tonnage of steelwork in the Anchor project at Scunthorpe and orders for further tonnages of motorway bridgework and sign gantries and other contracts. The volume of pressed steel tank orders had been well maintained.

The Chairman regretted that a substantial resumption of the Central Electricity Generating Board's Power Station construction programme had not materialised. Until the flow of enquiries and orders increased, it was unusually difficult to forecast the future with assurance but the Company had a fair volume of work on hand and, notwithstanding the problems with which the industry was again faced he anticipated continuation of profitable trading.

Resolutions were unanimously passed for the adoption of the Report and Accounts and the payment of a final dividend of 8% making a total of 11% for the year on the Ordinary Shares.

## Banco Hispano Americano

Since the 6th of September 1971 our Foreign Department and the Foreign Relations Department have been located at our new office in

SERRANO, 47 MADRID—I

Postal Address: Serrano, 47 Madrid—I P.O. Box 823

Telegraphic Address: Foreign Department: HISPAREX

Foreign Relations Department: HISPARELEX

Telex: 27766 BHAE E 23192 BHAE E 23075 BHAE E

Telephone number: 225 20 40

## ADAMS BUTTER LIMITED

### Active Marketing Plans

The Annual General Meeting of Adams Butter Limited was held on 23rd September at Leek, Mr. F. Adams (Chairman and Managing Director) presiding. The following are extracts from his circulated statement.

**GROUP PROFIT:** The Group Profit of £217,682 compares with £179,958 in the previous year, an increase of 21%.

**ADAMS BUTTER LIMITED:** This Company is probably the largest producer of blended butter and the world shortage of butter in the second half of the year seriously reduced our tonnage. However, with the substantial rise in price the value of our stock increased and our profit for the second half is higher than it would have been, on a more normal market. As near as I can estimate profits before tax, for the year, would have been £200,000 under normal circumstances compared with the forecast of £185,000 and the £212,176 actually made.

**WALTHAM ABBEY:** During the first half of the financial year 1970/71 most of the difficulties experienced when the plant was first put into operation had been ironed out, and a sufficiently large tonnage had been obtained, but because of the reduced availability and demand for butter the tonnage of this plant is now reduced below an economical level. Our portion packing demand is increasing and it is increasing most rapidly in the Southern Region and so we are installing more portion packing equipment at Waltham Abbey. We expect therefore that when we have reorientated the production line that it will be more viable.

**CHEESE:** Sunnyside cheese, in grated form, and in portions, produced a small profit in the financial year and our sales have improved since then. Cheese is now making a contribution to profitability which will become more important as time goes on. Now that we are employing a larger sales team progress here will be more rapid.

**R. & W. DAVIDSON LIMITED:** The reorganisation of the administration and sales force of this Company is now completed although we

have not benefited from the savings for a full year as yet. The business is now on a sound footing and showed a surplus of £5,506.

**GROUP ACTIVITY:** We have had a good working relationship with the Irish Dairy Board for ten years. IDB wants to extend its sales of existing lines and also its range of commodities for distribution in the U.K. and later perhaps in the EEC. We have a substantial distributing organisation which can be readily extended. We have a sales force which can co-operate with IDB's increasing promotional activity; we have spare land, and with part of the capital it has subscribed we can provide buildings, plant and equipment to cover the programme envisaged. Adams Butter Limited and R. & W. Davidson Limited are now working together very much more effectively. The co-operation with the Irish Dairy Board will benefit both.

**FUTURE PROSPECTS:** During the financial year 1971/72 we are bound to make smaller production profits because of reduced tonnage. We shall make savings in bank interest because of the additional capital derived from the issuing of the two million Ordinary Shares to the IDB. We are well on with various forms of diversification, and our marketing team is very active and so our profit on lines other than butter in half pounds will increase. It is most difficult to forecast profits because of the continuing shortage of butter, the uncertainty of reduced consumption, and the uncertainty of the effect of our entry or, otherwise, to the EEC. By the time the position in EEC is clarified and our association with the Irish Dairy Board is functioning in the way in which it is planned our normal profitability should be considerably in excess of the current level. We are recommending a final dividend of 7% to make a total of 13% for the year, 1% more than we anticipated at the half-way mark. The Report and Accounts were adopted.

## SPREADING EVERYWHERE

## THE STEEL GROUP LIMITED

### CRANE & EXCAVATOR MANUFACTURERS AND ENGINEERS

### RECORD TURNOVER & PROFITS

REVIEW BY MR. A. G. HOWE

The Thirty-fourth Annual General Meeting of The Steel Group Limited was held on September 23rd at Sunderland.

The following are extracts from the review by the Chairman Mr. A. G. Howe.

### TRADING RESULTS

The profit earned in the Financial Year ended 31st March 1971 amounted to £3,352,103, again the highest in its history and compared with its earnings of £2,165,505 in 1969/70. This arose from a very substantial increase in turnover, progressive product rationalisation and a marked improvement in the overall achievement of Coles Cranes in the United Kingdom and of your Company's overseas subsidiaries.

The year was one of considerable opportunity, in which a significant number of large contracts, secured against formidable competition, were worked to full advantage.

### TAXATION

Taxes on earnings and on internal distributions amounted to £1,424,063—a charge of 42%. The decrease in the impact of the charge for 1970/71 also arose principally from the reduction in the rate of United Kingdom Corporation Tax coupled with the offset against the profit of Coles Crane of earlier losses brought forward.

### DIVIDEND

In my Review of the Accounts for 1967/68 I referred to your Directors' opinion that because of the historical swings which had attended manufacture and profitability in the capital goods market 'a measure of dividend equalisation or near equalisation' was warranted.

Notwithstanding this philosophy, which is still pertinent, and in view of the amount of the profit earned in the year, your Directors now recommend that a Final Dividend of 15% should be paid on the Ordinary Share Capital which, with the Interim Dividend of 12½%, will make a total of 27½%. This distribution will compare with last year's total Dividend of 22½%.

### SHARE CAPITAL AND RESERVES

No changes occurred in the Share Capital of your Company which remained at £3,474,125 but capital and revenue reserves increased from £5,930,289 to £7,073,135.

### TURNOVER AND EXPORTS

The Group Turnover increased from £26,365,980 in 1969/70 to £37,698,302 in the year. The value of exports from the United Kingdom rose from £8,018,053 to £15,479,345 and represented 40% of your Company's business carried out from the United Kingdom. The drive towards a greater share of business in the United Kingdom and a greater export content of total turnover will continue in order to consolidate and enlarge further your Company's international trading position and market strength.

### CURRENT TRADING AND FUTURE PROSPECTS

Presently the Group's order books are somewhat lower than at this time last year, partly as the result of the rate of production which was set up to overcome lengthening delivery schedules and partly because of a slackening in the input of orders recently, which your Directors believe will be of a short duration. Nevertheless, this will result in a temporary reduction in output from its present rate until the situation is adjusted.

Overall business in negotiation and prospects continue to be substantial and a satisfactory proportion of it should be secured on acceptable terms. Profit for the first period last year. Profit in the second half is not so predictable but if the contracts now in negotiation and other prospective business are concluded successfully another worthwhile trading result should be achieved for the year as a whole.

The report and accounts were adopted.

## BLID ENGINEERS LIMITED

## GROUP SALES REACH NEW HIGH LEVEL

The 23rd Annual General Meeting was held on September 23 in London. The following are extracts from the circulated statement of the Chairman, Sir Alex. Abel Smith T.D., J.P.:

Earnings before taxation for the 12 months ended 31 March 1971 are within £102,000 of the record figure of the previous year, despite an escalation of manufacturing costs of unprecedented speed and severity as well as the adverse effects of industrial unrest on several of the Group's important customers. Group Sales at £18,000,827 reached another peak and compares with £15,860,306 in 1970. Profits before taxation, after charging depreciation, debenture interest and all other expenses, amounted to £1,100,833 compared with £1,202,260. Your Board recommend a final dividend of 13% making a total of 18% (same).

**BRITISH FURNACES LTD.** had a successful year with sales and profits reaching the highest figure in its history. The Company has increased its range of atmosphere gas generators and has also been actively engaged in the natural gas conversion field.

**THE BRYAN DONKIN CO. LTD.** experienced a disappointing year and recorded a loss. A major re-organisation has been made and the results should be achieved in the current year. Contribution to group profits from W. C. HOLMES & CO. LTD. was somewhat lower than in the previous year and strenuous efforts are being made to obtain a higher volume of orders.

Satisfactory results were obtained by **HOLL ENGINEERING CO. LTD.** despite a downturn in the motor industry and the Company is poised for further advance. **GEORGE WALLER & SON** made a modest contribution to group profits.

**OUTLOOK:** The level of Group orders in hand is approximately the same as at this time last year, currently the order intake looks buoyant. There is, however, no need for pessimism, and indeed, given more stable conditions generally, and a better trading climate your Board would not group for optimism particularly in the longer term.

# HOWDEN

## an international group with a broadening product base in the UK and overseas

In my first review to you as Chairman of Howden Group Limited it gives me great pleasure to report an encouraging turnaround in the profits of your company. In the past two years the company has undergone important change. Historically part of Clyde industry with the emphasis on heavy engineering and marine work, the company has and is still broadening its product base to serve a wide and growing range of markets.

The benefits of these moves are now beginning to show tangible form. The order book stands at a high level and should provide satisfactory profit margins and I am confident that the current year will show further improvement.

**James Howden & Company**... orders are now being booked at values which should give an adequate profit return... **Howden Godfrey**... looks forward to increasing turnover and profit contributions... **James Howden & Godfrey Investments**... a reasonable year... **European Group**... prospects in this group's refrigeration business are very encouraging... **Canadian Group**... order book is at a record level and prospects continue to look very good... **South African Group**... the current year should see the commencement of an upswing in the group's figures... **Australian Group**... a further increase in turnover and profits is forecast for the current year.

DAVID L. NICOLSON  
A.G.M. Glasgow, 23rd September 1971

	1971	1970
TURNOVER	£ 30,237,000	£ 24,225,000
PROFIT BEFORE TAXATION	£ 930,256	£ 446,468

### HOWDEN GROUP LIMITED HAS SEVEN OPERATING UNITS:

<b>JAMES HOWDEN &amp; COMPANY LIMITED</b>	<b>CANADIAN GROUP</b>	<b>EUROPEAN GROUP</b>
<b>HOWDEN GODFREY LIMITED</b>	JAMES HOWDEN & PARSONS OF CANADA LIMITED	JAMES HOWDEN HOLIMA N.V.
<b>JAMES HOWDEN AND GODFREY INVESTMENTS LIMITED</b>	GODFREY ENGINEERING COMPANY LIMITED	FERGUSON HOLIMA N.V.
<b>GODFREY PRECISION PRODUCTS LIMITED</b>	<b>SOUTH AFRICAN GROUP</b>	HOLIMA REFRIGERATION LIMITED
<b>BOURDON TOOLS LIMITED</b>	JAMES HOWDEN SOUTH AFRICA LIMITED	AMBERGEN N.V.
<b>BLEASHE MEDICAL EQUIPMENT LIMITED</b>	JAMES HOWDEN & SAFANCO LIMITED	BLESSENGS ELECTRONICS N.V.
<b>ANDREW FRASER AND COMPANY LIMITED</b>	ATTACK ENGINEERING PTY. LIMITED	
<b>BRIAN D. COLLINS (DISTRIBUTORS) LIMITED</b>	GODFREY ENGINEERING (S.A.) PTY. LIMITED	
<b>HOWDEN STEEL EQUIPMENT LIMITED</b>	<b>AUSTRALIAN GROUP</b>	
<b>HOWDEN SUPERHEIM LIMITED</b>	JAMES HOWDEN & COMPANY AUSTRALIA PTY. LIMITED	
<b>HARRIS &amp; LORIMER LIMITED</b>	GODFREY ENGINEERING (AUSTRALIA) PTY. LIMITED	
<b>HOWDEN ENGINEERING LIMITED</b>	VACU-BLAST (AUSTRALIA) PTY. LIMITED	

Copies of the latest report and accounts can be obtained from the Company's registered address 195 Scotland St., Glasgow, C.S.

هكمان النحل





## BARLOW RAND LIMITED

(Incorporated in the Republic of South Africa)

### RAND MINES, LIMITED—MIDDELBURG STEEL AND ALLOYS (PROPRIETARY) LIMITED ("MSA")

1. The explanatory statement issued on 19th April, 1971, by the chairman of Rand Mines Limited to its shareholders for the purpose of the Scheme of Arrangement in terms of which it was to become a wholly-owned subsidiary of Thos. Barlow and Sons Limited (now Barlow Rand Limited) included the following paragraph in regard to MSA and its subsidiaries ("The MSA Group"):

"Middelburg Steel and Alloys (Proprietary) Limited ("MSA")

(a) Rand Mines has an effective interest (direct and indirect) of 38.6 per cent in MSA which is the parent company of a group engaged at Middelburg and Krugersdorp in the Transvaal in the production of ferro-chromium and other ferro-alloys and of stainless steel ingots, plate and sheets, a large proportion of which is exported.

(b) The rationalisation of ferro-chromium and stainless steel production at Middelburg and Krugersdorp through MSA in 1969 was a milestone in the development of important new primary industries in South Africa. After nearly two decades of research and development—activities which have accelerated in the past ten years—the twin undertakings of Rand Mines in this field were brought to the profit-earning stage in 1970.

(c) In 1968 the MSA Group recorded a loss of R3 400 000. In 1969 the loss was reduced to R1 600 000. In 1970 the group finished the year with an unaudited profit of about R700 000 after paying out R1 600 000 in interest charges on loan capital. The profit for 1971 should be substantially greater and, due to assessed losses, will not be subject to tax. It is not possible to make reliable predictions of profits further ahead but, for planning purposes, MSA is assuming a three-fold increase in group sales over a five-year period. The world demand for low carbon ferro-chromium is expected to increase because its major consumers, the stainless steel producers, expect to increase production by 40 per cent during this five year period. The meeting of this demand will necessitate the installation of additional plant at Middelburg which will require a high rate of capital expenditure. It will be some time before MSA's shareholders can expect material dividends to begin flowing. The estimate of profit for Rand Mines in 1971 as stated in paragraph (13) (page 19) does not include any dividends from MSA.

A copy of that explanatory statement was also sent to this company's shareholders.

2. A detailed investigation into the financial position and affairs of the MSA Group was commenced immediately after 28th June, 1971, when Rand Mines Limited became this company's wholly-owned subsidiary.

3. Preliminary figures now available show that the MSA Group will not earn a profit but will incur a loss (taking into account interest on shareholders' loans) in the order of R4 500 000 for the financial year which will end on 31st December, 1971. That loss is mainly attributable, *inter alia*, to:

(a) A drop in excess of 20 per cent in world prices of stainless steel with the consequential need to write down the company's inventory of imported stainless steel accordingly;

(b) A decrease in the company's production in recent months of approximately 50 per cent arising from:

(i) The importation of stainless steel at prices lower than the company's ruling price;

(ii) A general decline in demand in both the South African and the export markets.

4. The production and accumulation of stocks of stainless steel has been mainly responsible for the non-profitability and non-liquidity of the Group and, therefore, steps are now being taken to arrest further losses from this division.

5. In addition "The Rand Mines Group", "The Anglo American Group" and "The General Mining Group" (the three principal groups of shareholders involved) have agreed to take the steps necessary to re-organise the capital position of the MSA Group (*inter alia* by the capital and revenue losses being absorbed by shareholders' loans, with the consequent substantial saving in interest, and equity shares) and to restore the liquidity of the MSA Group.

6. As all the capital and most of the revenue losses in question were incurred prior to 1st June, 1971 (from which date Barlow Rand Limited took the benefit of the issued and paid-up share capital of Rand Mines Limited), the share thereof (approximately R 9 700 000) attributable to Rand Mines Limited and its subsidiaries will be written off against reserves in the latter's respective accounts prior to 1st June, 1971.

7. The "earnings per ordinary share" of Barlow Rand Limited will not be affected by the write-offs referred to in paragraph 6.

London Registrars—

THOS. BARLOW (HOLDINGS) LTD.  
16 Stratford Place,  
London, W1N 9AF.

21st September, 1971.

## THE CORNER HOUSE INVESTMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

### MIDDELBURG STEEL AND ALLOYS (PROPRIETARY) LIMITED ("M.S.A.")

1. The "Chairman's Statement dated 24th March, 1971, included the following paragraph in regard to MSA:

"C.H.I.C. holds over 1.5 million R1 shares in, and has made loans to the value of R1.5 million to M.S.A. These loans, which bear interest at 4 per cent above the prime bank overdraft rate, with a minimum of 9 per cent per annum, carry the right of conversion into shares at par. M.S.A. which produced, through its wholly-owned subsidiaries R.M.B. alloys (Pty.) Limited, The Southern Cross Steel Company (Pty.) Limited and Palmiet Chrome Corporation (Pty.) Limited, a substantial proportion of the western world's low-carbon ferro-chrome and high quality stainless steel for the domestic and overseas markets, made an unaudited profit of about R700 000 in 1970, compared with a loss of R1 600 000 in 1969. In order to cope with the demand for its products, the Middelburg Group has embarked on an expansion programme which will have considerable effect on its long-term prospect for profit and growth."

2. Shareholders' attention is drawn to the statement (printed above) in regard to the affairs of MSA and its subsidiaries made today by Barlow Rand Limited. This company is part of the "Rand Mines Group" referred to in paragraph (5) of that statement.

3. In the circumstances, and although it is expected that the profitability of the MSA group will be restored by the steps referred to in the statement (above), the directors consider that it will be necessary to make provision in this year's accounts for the writing down of this company's investment in and loans to MSA by R2 794 000. Shareholders should therefore appreciate that there is no possibility of any further dividends being declared until the company's position has improved materially.

London Secretaries,

CHARTER CONSOLIDATED LIMITED,  
40, Holborn Viaduct, EC1P 1AJ.

21st September, 1971.

## TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY LIMITED

(Incorporated in the Republic of South Africa)

### MIDDELBURG STEEL AND ALLOYS (PROPRIETARY) LIMITED ("M.S.A.")

1. This company and its subsidiary, Transvaal and Delagoa Bay Investment Company Limited, have an investment (consisting of shares and loans) in MSA of approximately R1 067 000.

2. Shareholders' attention is drawn to the statement (printed above) in regard to the affairs of MSA and its subsidiaries made today by Barlow Rand Limited. This company is part of the "Rand Mines Group" referred to in paragraph (5) of that statement.

3. In the circumstances, and although it is expected that the profitability of the MSA group will be restored by the steps referred to in the statement (above) the directors consider that it will be necessary to make provision in the accounts for the year ended 30th June, 1971 for the writing down of the investments of this company and its subsidiary in and loans to MSA by R981 000.

London Secretaries,

CHARTER CONSOLIDATED LIMITED,  
40, Holborn Viaduct, EC1P 1AJ.

21st September, 1971.

## '\$ will remain top currency'

FINANCIAL TIMES REPORTER

THE U.S. DOLLAR was bound to remain the world's principal transaction and intervention currency, however much international monetary experts might want to see a new reserve asset. This view was put forward by Sir Eric Roll, a director of the Bank of England and Deputy Chairman of Warburg's, in Washington yesterday.

Sir Eric, who was delivering the Per Jacobsson Foundation Lecture on the eve of the International Monetary Fund annual meeting, took as his subject "Past, Present, Future."

He said the experience of past discussions on world liquidity

did not augur well for a quick solution to the present international monetary crisis. The inclusion of problems such as aid and defence-burden sharing could hardly be looked upon as improving the prospects of an early overall long-term solution.

Sir Eric hoped an early realignment of currency parities would take place, accompanied by the withdrawal of the 10 per cent. surcharge and the other new U.S. protectionist measures. But because the dollar was bound to retain its paramount position, some action must be taken to correct the large short-term dollar balances which were over-hanging the market.

The events of the last six weeks had removed the "exclusive concern" with the Euro-currency market, he felt.

"I hope that at least one lesson we shall learn from the present monetary disorder is that fundamental factors are at work and have therefore to be dealt with, rather than to concentrate on the surface phenomena to which these give rise," he declared.

In a long paper written before the recent currency upheavals, Sir Eric called for a general attack on the problem of international monetary instability and argued—with some reservation—in favour of wider bands as a transitional move.

## BSR LIMITED

INTERIM REPORT TO 3rd JULY, 1971

A summary of the unaudited results of the Group for the six months to 3rd July, 1971 together with the comparative figures for the first half of 1970 are as follows:—

	1971	1970
Turnover	£13,429,952	£10,027,364
Trading Profit	£3,493,985	£2,482,125
Profit before Tax	£3,704,096	£2,722,343
Tax	£1,254,422	£1,062,010
Profit after Tax	£2,449,674	£1,660,333

Group sales have expanded by 34% and this together with strict control on all expenditure has resulted in Trading Profits increasing by 40%. After crediting other income, profits before tax have risen by 36% to £3,704,096.

The trend in sales for the first six months has continued into the second half of the year. Production has been expanded again to meet strong world wide demand. The acquisition of Bulpitts (Svan Brand) Ltd. has been completed satisfactorily. Trading results of this Group of companies have improved over those for 1970.

Group profits for 1971 are expected to show a marked improvement over those for 1970 and therefore the directors have decided to pay an interim dividend of 13% less tax at 38.75p which compares with 11.36p paid in 1970 adjusted for the increase in share capital. The Interim Dividend will absorb £536,280.

## ARMY & NAVY STORES LIMITED

HALF-YEAR'S RESULTS

The Board of Directors of Army & Navy Stores Limited announce the following unaudited figures of the Group for the first half of 1971, with comparative figures for 1970:

	6 months to 31.7.71	6 months to 31.7.70	12 months to 31.7.71
GROUP TURNOVER	£6,195	£5,884	£13,555
GROUP PROFIT	337	313	1,122
Deduct:			
Depreciation	80	78	157
Finance Costs	65	57	120
PROFIT before Taxation	192	178	845
TAXATION	76	72	341
GROUP PROFIT (after Taxation)	116	106	504

Sales of the Group for the six months to 31st July increased by £311,000, or 5.3%, to £6,195,000.

All Stores in the Group contributed to the increase, with the exception of Burgess & Colbourne Limited of Leamington Spa, where, as anticipated, sales were down owing to the disruption caused by the first phase of rebuilding. The main London Store has had a difficult time, mainly due to the extensive demolition of a large area of the south side of Victoria Street, stretching from the Store to Victoria Station. Salaries, wages and general expenses continued to increase, but some benefit is now being obtained from the recent welcome reduction in Selective Employment Tax.

In common with other departmental stores groups the major contribution to Group profit is made in the second half of the year. Thus it is emphasised that the first six months result gives little indication of the profit for a full year. Much will again depend on general economic conditions, the overall increase in sales and continued effective control of expenses.

PROPERTY DEVELOPMENT:

It was necessary to obtain a revised office development permit to support the new planning application for the development of the Stores' site in Victoria Street. The permit was issued in August and our application for planning consent is expected to receive consideration by the Westminster City Council shortly.

Extension to the Camberley and Bromley Stores will be completed this year and a planning application for a further extension to the Guildford Store is at present under consideration.

## Appeal Court 'blitz' to clear cases backlog

APPEAL COURT JUDGES are mounting a "blitz" on criminal cases when the new legal year starts on Friday. About 2,000 appeals and applications for leave to appeal are awaiting consideration.

To clear the arrears, two courts of three judges will be in continuous session until Christmas. For half this time a third court will be sitting.

Never before has so much judicial time been taken up on criminal appeal cases. The great majority are applications for leave to appeal which the applicants are not represented. The judges consider the trial papers—including a partial transcript—before going into court. The cases can then be swiftly disposed of.

In the past year, the appeal courts have dealt with 6,000 cases. Some have taken five to six and a half months to reach appeal. But where appellants are serving short sentences special machinery has moved the cases much more quickly.

Court officials are determined to cut the waiting time. They feel it should be possible to bring the average case before a judge for preliminary consideration within six weeks of trial.

## NATIONAL SAVINGS IN AUGUST

	Sept. Aug. 1971	Sept. Aug. 1970
£m.	£m.	£m.
Save as You Earn	7.4	6.4
Dyn. Nat. S.	4.8	0.2
T. S. S.	1.2	0.2
Total SAVES	13.4	6.8
Govt. Bonds	12.4	17.2
Defence Bonds	1.0	15.2
Govt. Bonds	1.4	6.4
Defence Bonds	1.4	12.4
Govt. Bonds	1.4	12.4
Defence Bonds	1.4	12.4
Govt. Bonds	1.4	12.4
Defence Bonds	1.4	12.4
Govt. Bonds	1.4	12.4
Defence Bonds	1.4	12.4
Govt. Bonds	1.4	12.4
Defence Bonds	1.4	12.4

Total Savings ... £102.7 ... £112.4 ... £42.5

Accumulated ... £127.3 ... £112.4 ... £42.5

Govt. Bonds ... £62.2 ... £112.4 ... £42.5

Defence Bonds ... £65.1 ... £112.4 ... £42.5

Total ... £192.5 ... £224.8 ... £85.0

Govt. Bonds ... £127.3 ... £112.4 ... £42.5

Defence Bonds ... £65.1 ... £112.4 ... £42.5

Total ... £192.5 ... £224.8 ... £85.0

## G. H. JOHNSON & SONS LTD.

(A subsidiary of J. W. I. Ltd., Montreal, Canada)

INTERIM REPORT

Group profits before tax for the six months ended 3rd July 1971 amount to £21,476 compared with £127,870 for the six months ended 3rd October 1970. The different periods for comparison arise from the decision announced in the last annual report to change the company's year end date. As forecast in the chairman's statement accompanying that report, the six months now reported on have been most difficult and disappointing. With diminished demands for its products from the paper industry the company has had to bear increasing costs without any corresponding increases in prices to its customers during the period under review. There has been partial restoration of margins since the 3rd July 1971.

As previously indicated, the directors have decided not to pay an interim dividend in respect of the year ending 1st January 1972 (5% paid in respect of nine months ended 2nd January 1971).

The following figures show the trading results for the six months to 3rd July 1971 and the comparative figures for the six months ended 3rd October 1970.

	Six months ending 3rd July 1971	3rd Oct. 1970
Turnover (including merchandising)	£944,806	£1,050,731
Net profit pre-tax (after deducting depreciation of £24,029 for 1970 and £26,889 for 1971)	21,476	127,870
Corporation Tax @ 42½%	8,400	54,500
Corporation Tax @ 40%	8,600	51,500
Net profit after tax	12,876	73,370

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## INTERIM STATEMENTS

### ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

(Incorporated in the Republic of South Africa)

#### Declaration of Dividend No. 70 on the ordinary shares

NOTICE is hereby given that dividend No. 70 of 5 cents per ordinary share, being an interim dividend in respect of the year ending 31st December, 1971 (1970 interim: 5 cents per share) has been declared payable to the holders of ordinary shares registered in the books of the Corporation at the close of business on 8th October, 1971, and to persons presenting coupon No. 75 detached from share warrants to bearer.

Dividends on share warrants to bearer will be paid in terms of a notice to be published in the press at a later date by the Joint London Secretaries of the Corporation.

This dividend is declared in the currency of the Republic of South Africa.

Dividend warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 4th November, 1971.

In the case of shareholders with registered addresses in Europe, or who have mandated payments to addresses in Europe, or shareholders who have requested payments in sterling, warrants will be posted from the United Kingdom and will be drawn in United Kingdom currency. Registered shareholders paid from the United Kingdom will receive the sterling equivalent, on 25th October, 1971, of the rand currency value of their dividends. Any such shareholders may, however, elect to be paid in South African currency provided that any such request be received at the offices of the Corporation's transfer

secretaries in Johannesburg or in the United Kingdom on or before 8th October, 1971.

Shareholders whose registered addresses are elsewhere, or who have mandated payments to addresses outside Europe, or who have elected to be paid in South African currency in terms of the preceding paragraph, will be paid from Johannesburg, and all dividend warrants posted from Johannesburg will be drawn in South African rand.

Any change of address or dividend instruction to apply to this dividend must similarly be received by the Corporation's transfer secretaries on or before 8th October, 1971.

Shareholders must, where necessary, have obtained the approval of the South African Exchange Control authorities and, if applicable, the approval of any other exchange control authorities having jurisdiction in respect of changes in the office of payment.

This dividend is payable subject to conditions which can be inspected at the Head Office and London Office of the Corporation and also at the offices of the Corporation's transfer secretaries in Johannesburg and the United Kingdom.

The ordinary share transfer registers and registers of members will be closed from 9th October to 22nd October, 1971, both days inclusive.

The effective rate of Non-Resident Shareholders' Tax is 11.538 per cent.

#### Interim report to members for the half-year ended 30th June, 1971

##### RESULTS OF OPERATIONS

The unaudited operating results of the Corporation and its subsidiaries for the six months to 30th June 1971, are given below, together with comparative figures for the corresponding period last year. These should be read in conjunction with the adjoining notes:

	SIX MONTHS ENDED 30TH JUNE	
	1971	1970
	R	R
Group profit, excluding surplus on realisation of investments	24 645 000	22 315 000
Surplus on realisation of investments	1 313 000	1 082 000
Deduct: Taxation	2 010 000	1 420 000
Deduct: Minority interest	2 791 000	1 204 000
	R 21 157 000	R 20 783 000
Cost of interim dividend No. 70 of 5 cents per share	R 6 491 000	R 6 491 000

By order of the Board,  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED  
D. S. BOOTE  
Joint London Secretary

Office of the United Kingdom Transfer Secretaries:  
Charter Consolidated Limited,  
Kent House, Station Road, Ashford, Kent.  
23rd September, 1971.

London Office:  
40, Holborn Viaduct, EC1P 1AJ

## Excess Holdings Limited

AND SUBSIDIARY COMPANIES

### Interim Report for the Half-year to 30th June, 1971 Interim Dividend for the Year to 31st December 1970

At a meeting of the Board of Directors held 22nd September 1971, it was resolved to pay 27th October, 1971 to shareholders on the register 5th October an interim dividend of 10% less tax at 38.75 (1970 10%).

#### GROUP PREMIUM INCOME (excluding Excess Life Assurance Company Limited)

The premium income on all underwriting years account less commission and reinsurance premiums is as follows:—

	6 months to 30th June, 1971	6 months to 30th June, 1970	Year to 31st December, 1970
	£13,375,000	£11,598,000	£23,737,000

#### GROUP INTEREST AND DIVIDENDS RECEIVED (excluding Excess Life Assurance Company Limited)

	6 months to 30th June, 1971	6 months to 30th June, 1970	Year to 31st December, 1970
	£793,000	£770,000	£1,620,000

#### UNDERWRITING ACCOUNTS

EXCESS INSURANCE COMPANY LIMITED—The 1970 result of trading for the six months to 30th June, 1971, before taking into account investment income, was approximately 8% less than that of the 1969 Underwriting Account at the same point in its three-year open period. The 1970 Underwriting Account shows an improvement on the 1969 Account at the same stage.

EXCESS MOTOR INSURANCE COMPANY LIMITED—The result of trading for the six months to 30th June, 1971, before taking into account investment income, was approximately 8% less than that of the 1969 Underwriting Account at the same point in its three-year open period. The 1970 Underwriting Account shows an improvement on the 1969 Account at the same stage.

EXCESS LIFE ASSURANCE COMPANY LIMITED—In the half-year ended 30th June, 1971, gross premium amounted to £17,641,000 (1970: £17,638,000). Consideration for annuities purchased amounted to £279,000 (1970: £232,000).

## Call for action over student accommodation

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

RESPONSIBILITY for student was preparing to hot accommodation should be given students in a sports cent to the Department of the Environment to biller another 200 with most instead of the Department of Education. The poly of emergency measures in university. The future expansion of student accommodation is a major problem. The National Union of Students.

Mr. Jacks advocated this move at a week-end conference held in Birmingham against a background of emergency measures in universities and polytechnics to house students who will be returning during the next few days. In Manchester, the university housing for students.

هكذا نحن

# Bearings

Financial Times Survey

## Industry in state of flux

By DAVID WALKER

For the British bearings industry, 1971 and 1972 could be something of a make or break year. As a components industry, with vehicle manufacturers its largest single customer and heavily reliant, too, on the aerospace industry, it has been suffering the same problems as many other areas of the economy.

At the same time, it has been sector with many special facilities of its own, particularly so far as the British-owned part of the industry in this country is concerned. And, in world market terms, it has not been facing still further increases in competition, not least in Japan, in an already highly competitive business.

### Recent creation

Just one, Ransome Hoffmann Pollard, is a recent creation, made on the initiative of with financial backing in the now defunct and many quarters little missed Industrial Reorganisation Corporation. It has already been described as potentially the only triumph of the IRC.

The group owes its existence to the IRC's determination to retain a significant U.K. stake in the industry at all. In 1968, three top independent bearing companies in Britain were merged: Ransome Hoffmann Pollard, Ransome and Marles, and Pollard and Marles.

Production of bearings, compared with the 27 per cent. achieved by one single company, Skefco, the U.K. subsidiary of the huge Swedish SKF group.

The pattern was highly fragmented compared with the situation in Western Europe and elsewhere. One or two giant companies competed on the world market with similar concerns in other countries. In Britain, a number of smaller manufacturers competed with each other on terms in which the world market seemed in danger of being forgotten.

Productivity was low, with an annual turnover of £2,500 to £3,000 per man compared with the £5,000 to £6,000 achieved by Continental companies and the £10,000 per man of some American manufacturers.

The balance of payments position was weak, and apparently getting worse. Direct exports in 1968 amounted to £15.37m, while imports were £10.99m, with overseas sales worth only 36 per cent. more than purchases abroad. Five years earlier, the difference had been 75 per cent.

In fact, the only countries with a strong balance of payments position in relation to bearings were Sweden and Germany. Sweden, of course, was dominated by SKF, twice the size of its nearest world rival, Timken, the U.S. parent of the British Timken company.

In Germany, SKF and the independent Kugelfischer FAG shared 80 per cent. of the market. In France and Italy, SKF had about 70 per cent.

The message for Britain was clear: considerably larger units were necessary. The three domestically-owned companies

made a larger number of overlapping products, with each producing 7,500 to 13,000 different types of bearing. And one was being forced into accepting unprofitable orders.

It was against this background that a merger was planned between Skefco and Ransome and Marles, and the IRC stepped in. The result was the unification of the three major British-owned companies, ending the fears about the industry's future structure which, because of 31 saw sales of £22.1m, and a trading profit of £1.3m.

### Expansion scheme

To-day, the massive reorganisation programme at Ransome Hoffmann Pollard is virtually finished, and a £15m. three-year expansion scheme is well under way.

The group's nine principal factories have been rationalised to ensure the manufacture of all bearings of one type and size at a single plant. Sales outlets abroad, previously in competition with each other, have been streamlined through mergers. Output has risen to over £4,000 a year per employee, with the prospect of an annual £8,000 per man being reached at some plants within another five years. A major sales drive to the U.S. has been mounted, while a revamping of European operations is aiming at a substantial rise in its current 2 per cent. share of the vast European bearings market.

The results have already been seen in the advances in the group's turnover and profitability. In the 15 months to the end of September last year, sales of £50.1m. were achieved, including exports of £8.3m., or 19 per

cent., with a pre-tax profit of £4.1m.

That compares with an overall turnover of £37.7m. by the three constituent companies in the year to June 30, 1969, when pre-tax profits came to £2.6m.

Since then, the group has been badly hit by strikes in the motor industry, the Rolls-Royce collapse, the power dispute and protest stoppages against the Industrial Relations Bill. Despite all that, the half-year to March 31 saw sales of £22.1m. and a trading profit of £1.3m.

While RHP has been radically changing itself, its foreign owned rivals have also been expanding in the U.K. SKF has launched a £180m. international expansion scheme in partnership with subsidiaries in the U.K., Italy, France and Germany, and including a £32m. Scottish factory near the existing Skefco Irvine plant to specialise on precision work for specialised users, particularly aircraft manufacturers. Over the next five to seven years, SKF's investment in the U.K. will amount to around £15m.

British Timken, which is concerned mainly with tapered roller bearings in which RHP is not, at present, interested, has completed a £2m. investment programme to increase output at its Duxton and Daventry plants.

Overall, much needed price rises have been introduced by the industry after difficulties caused by the size of its major customers—though more seem inevitable—and delivery times have been much reduced.

At the same time, however, as the industry has been sorting out its own problems, it has been beset by new difficulties hitting its customers. Thus

roughly one bearing in three goes to the motor industry for use in wheelhubs, transmissions and steering mechanisms. Each average private car contains 25 bearings; each lorry has 30.

The well publicised difficulties facing the motor industry here have, inevitably, hit bearing manufacturers too. Skefco, in particular, admitted in its

latest annual report that that had made 1970 a difficult year for it.

In aerospace, a general recession and the collapse of Rolls-Royce has particularly affected demand for small precision bearings used in instruments and elsewhere. And the overall industrial climate, with its low investment by industry and general uncertainty, has added to the cutbacks, even though, on a world scale, bearing demand has rocketed.

Despite that rapidly increasing demand, the U.K. industry has not been able to improve its balance of payments situation. In fact, despite signs of a turn round at the start of last year, it has worsened. Exports have gone up, but imports are higher too.

In 1970, overseas sales were worth £22.15m. as far as ball, roller, and needle roller bearings are concerned, against £18.17m. a year before. Imports came to £18.37m. compared with £13.35m. over the previous 12 months and that 36 per cent. favourable balance of 1968 dwindled to 21 per cent.

For the first four months of 1971, the figures again show an improvement, just as they did for the earlier part of last year. At £8.7m. overseas sales were 28 per cent. of imports, which were valued at £6.75m. Even though those figures do not tell anything like the whole story—indirect exports are estimated to account for around 50

per cent. of production—they are significant in showing how far the industry has to go to catch up on earlier achievements.

And it is a process which could be becoming more difficult despite the boost the Mini-Budget has given to the home market. The recent imposition of a 10 per cent. tax on imports by the U.S. could hit sales there—£2.2m. last year making it one of the U.K.'s biggest single customers.

### Important supplier

Perhaps more important, the U.S. measures could add still further to the competition posed by Japan both on world market terms and within the U.K. Japan has been supplying around 70 per cent. of all bearings imported to the U.S. and could force her to expand her other markets even more than is already being done.

The country is already an important supplier to the U.K. Imports from there were worth £1.15m. in the four months to the end of April against £2.05m. in the whole of 1970. On a world basis, Japan is becoming steadily more significant. And that comes at a time

when world market prospects as a whole seem less bright for the industry generally than a year ago. In its last annual report, SKF forecast that the uncertain economic climate of West Germany—a major customer for Britain too—and the impact a slowdown in trade there could have Western Europe generally could dampen sales growth.

At the same time, the group predicted positive effects on world trade tendencies generally from the increase in business in the U.S., allowing a continued annual expansion of 8 to 10 per cent., albeit with narrower profit margins. Now, the U.S. advance appears unlikely to be reached.

For Britain, much must depend on the success of RHP with its reorganisation, and with the investment plans of the other major groups.

Much, too, depends on the 40 or so smaller companies, often supplying specialist products, which are still a highly significant part of the U.K. scene, and which manage to obtain substantial exports as a proportion of overall sales. A figure of 30 per cent. of turnover going directly to the U.S., as has been achieved by British Manufactured Bearings, one of the larger small companies, is not particularly uncommon.

Those, too, with their enviable records on delivery times and attention to small orders, are changing rapidly in response to altering conditions.

## Competition from Japan

By DAVID CURRY

The last three years have seen the bearings industry in this country faced with two major challenges. The first was the necessity of the British-owned companies to regroup so that they could compete in a world dominated by major international concerns. The second challenge is now emerging and facing all manufacturers: the challenge from Japan.

In 1969 the British market drew some 35 per cent. of its supplies from the three companies that were to merge into Ransome Hoffmann Pollard.

Skefco, the British arm of the Swedish-based giant SKF, held about 28 per cent., and the remaining domestic production was shared by two U.S.-controlled companies, British Timken (part of the Timken Roller Bearing Company) and Fafnir (Textron Inc., U.S.). These shares appear to have remained fairly stable. A process of rationalisation, particu-

larly the concentration of production, engineering longer production runs and progress towards standardisation of ranges has enabled the industry in Britain to keep some control over cost and to go into the battle against the Japanese in better shape.

Even so, by some European standards, the British market remains somewhat fragmented. In Germany SKF and the German Kugelfischer FAG share about 80 per cent. of sales and SKF holds about 70 per cent. of the market in both France and Italy, as well as supplying the lion's share of its own Scandinavian market.

Two factors mitigate the circumstances. In the first place the world is now beginning to emerge from a serious shortage of bearings which meant, as one British manufacturer put it: "If you could deliver the goods you could ask your price for them." Japan has profited from a strong international demand at a time when her own domestic economy was, by Japanese standards, very sluggish.

In the second place it is pointed out that the Japanese are producing mainly relatively unsophisticated bearings, and as yet has not got the extensive

time exports climbed from £15.4m. to £22.1m. In 1963 the value of our exports was worth 75 per cent. more than the value of imports. Last year the figure was 12 per cent.

In 1970 Japan supplied bearings worth £2.05m. In the first seven months of this year Japan had already accounted for £2.28m. of a total import bill of £12m.

Two factors mitigate the circumstances. In the first place the world is now beginning to emerge from a serious shortage of bearings which meant, as one British manufacturer put it: "If you could deliver the goods you could ask your price for them." Japan has profited from a strong international demand at a time when her own domestic economy was, by Japanese standards, very sluggish.

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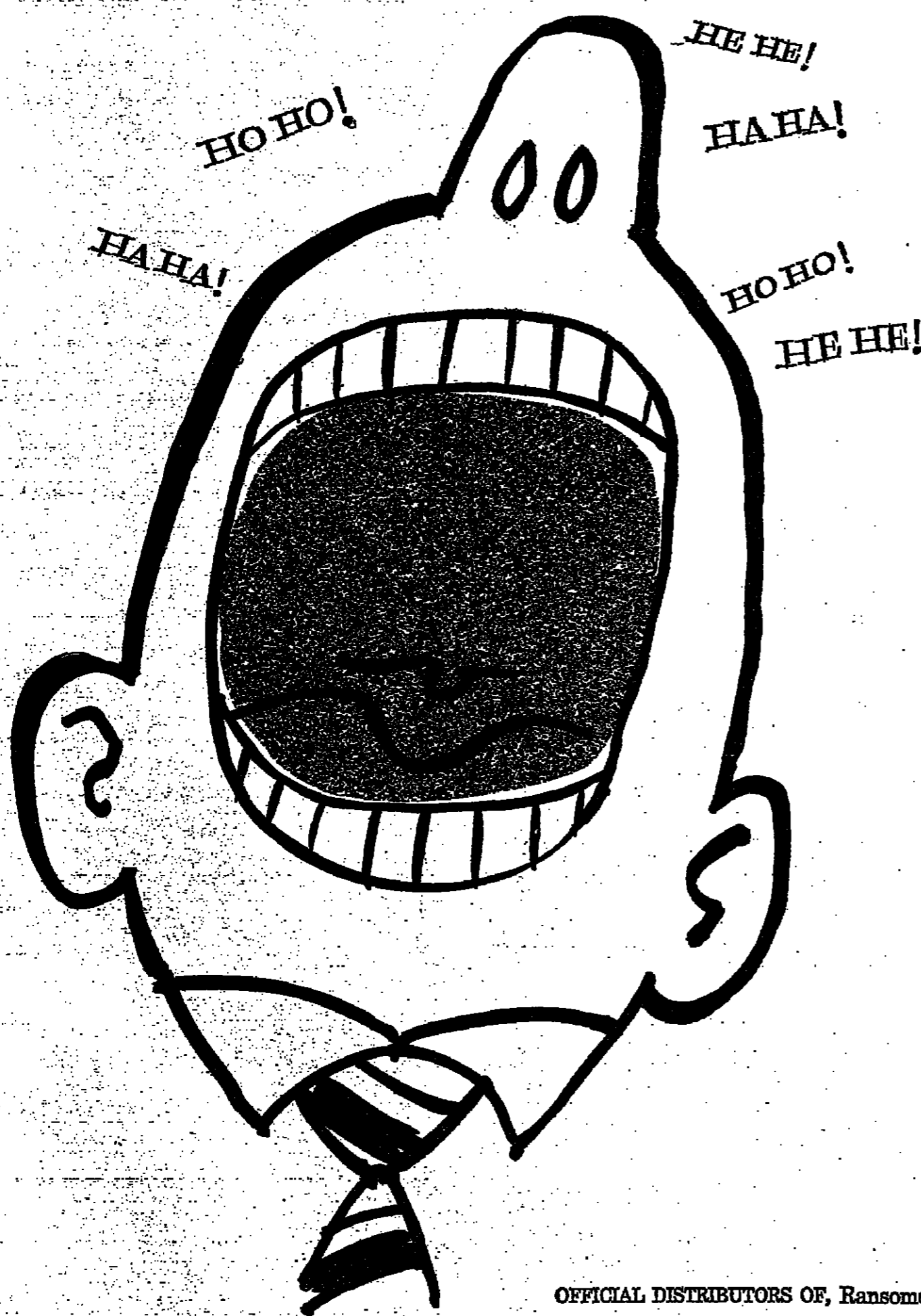
range of bearings to offer that Britain has.

However, there is another side to the coin. The Japanese output of bearings last year is believed to have been worth about £170m., taking third place behind the U.S. with £600m. and West Germany with £175m. and double the estimated U.K. figure of £89m. Her industry is still at a relatively early stage in grouping.

### Unhappy reading

The American experience makes unhappy reading for British companies. More than 50 per cent. of all miniature bearings used in the U.S. last year were imported, of which 70 per cent. came from Japan and local producers estimated that Japanese prices undercut theirs from between 20-60 per cent. The U.S. group of SKF gave up the fight for the miniature bearings market when it

Continued on next page



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## BEARINGS III

# Keeping stocks at the ready

By RAY DAFTER

With bearings playing such a vital part in production machinery it is often essential that new or replacement stocks are readily available.

One U.K. company went to the lengths of chartering a light aeroplane to collect a bearing from Germany, a bearing needed for an important but temporarily inoperative piece of machinery.

And in another case a car was sent from Manchester to Wrexham one week-end so that half a dozen ball bearings—less than 1 inch in diameter—could be delivered on time.

### Quoted price

The second of these instances relates to the service provided by a bearing house, an important and growing influence on the British bearing industry and, indeed, industry in general.

This particular house footed the bill for the transport which ran into several pounds; the

customer paid only the quoted price for the bearings—a matter of a few pence.

While the bearing house has been accepted as part of the U.S. industrial scene for over 40 years, it is a relative newcomer in the U.K. The first was established in the mid-1950s; now there are approaching 100 established houses in the major manufacturing cities and towns as well as a number of other depots specialising in imported and industrial surplus bearings.

There are indications that such stock centres are spreading to the Continent, Germany in particular.

It should be added, of course, that British bearing manufacturers also have stock rooms dealing with orders for their own specific demands.

The role of the bearing house is to stock and provide industry with a full range of bearings on demand; failure to do so would undoubtedly go down as a black mark against that particular depot, quite possibly

prompting the transfer of business to a competitor.

The bearing house has really become established because of the sheer multiplicity of designs and makes of bearings used by industry.

### 36,000 types

One leading house said that it stocked some 36,000 basic types of bearings in addition to the material variances and different diametric clearances of some basic types.

A bearing failure can cost a manufacturer a considerable amount of money in lost production time unless replacement stocks are quickly obtainable. Hence we have seen the establishment of bearing houses in most manufacturing centres; in many cases more than one.

Nevertheless we are likely to see a number of new depots established on a smaller scale in "secondary" areas. The bearing houses have now reached a stage where they seem to be

regarded as an important and integral part of industry both by the bearing manufacturers and their ultimate customers.

As with any "middle man" service the cost per unit bought through a bearing house is quite likely to be higher than the cost direct from the manufacturer.

Bearing houses are quick to point out, however, that they can point to many occasions when a customer actually saves money by buying through their depots.

One of the main advantages is speed of delivery. Another is the fact that an industrial concern can buy a variety of bearings produced by a number of different manufacturers from one centre.

The alternative to industry in general would be company stocks of replacement bearings, not only taking up valuable space but probably eating up even more valuable capital in— to a large extent—dormant assets.

Much better, preach the bearing houses, to buy replacements when you need them... provided you can rely on receiving them promptly.

Which brings us to another advantage of the bearing house: the oblique advisory service.

If a particular bearing (perhaps vital to a manufacturing process) is no longer produced the bearing house believes it can usually find a comparable alternative.

The advisory role also extends to providing guidance on the correct fitting and servicing of bearings. In addition, advice is also provided on international bearing interchangeability and the implications of metrication.

### Efficient service

Bearing houses must rely on providing an efficient service to survive. This in turn means keeping their stocks replenished, often by a regular or even daily

delivery run from a central supply. Increased transport costs must have an effect on profitability, but one leading bearing house pointed out that it was able to overcome this problem by a greater utilisation of its service fleet. The more depots it opened, the more calls the lorries had to make.

The 80 or so bearing houses in the U.K. at present—a large proportion of these are small distributors linked to one manufacturer and fulfilling a purely local demand—have a combined turnover in the region of almost £8m.

It has been estimated that between 15 and 20 per cent. of the total British bearing market could be serviced efficiently and economically through the bearing house system.

So given that the potential of the British market is in the region of £75m, there is still room for considerable expansion of bearing houses in this country.

## RHP becoming a real force

By ANTHONY MORETON

Ransome Hoffmann Pollard is now an established force in the bearings market, not only in Britain, where it is the leading concern, but also on world markets, too, where it ranks ninth or tenth. Yet two years ago it did not formally exist.

The need for a British bearing manufacturer able to compete on an equal footing with the world's giants was conceived by the then Industrial Reorganisation Corporation. The British market in the late 1960s was dominated by SKF, the offshoot of the Swedish company, with British Timken and Fafnir, both subsidiaries of American concerns, taking a considerable share as well. Home production was diffused among Ransome and Marles, Hoffmann and Pollard. There was overlapping of production facilities, each had too low an output to compete effectively with the foreign giants and output per man was low by world scales.

The IRC's belief that there ought to be a viable British-owned sector of the industry was partly stimulated by news that SKF was starting to acquire one of the British concerns. It stepped in, prevented a Swedish-British merger and eventually after some hard fighting brought the three U.K. concerns together in RHP.

The new RHP formally came into existence on January 1, 1970. Its chief executive, Mr. Bill Barlow, who had come from English Electric, faced a daunting task. He had to reorganise three separate companies, with manufacturing facilities spread around the country, into one at a time when (although he was not then to know it) the boil was going off the economy.

At the time of the merger the company was manufacturing about 15,000 types of bearings, there were some 15,000 employees, and output was around £2,000 a man compared with £3,000 in Europe and considerably higher in both the U.S. and Japan, which had recently emerged on world markets as a major force.

The first task was to reorganise the merged company into five divisions giving considerable autonomy to the general managers of each. Mr. Barlow operates from an office right in the centre of London but this is essentially a lean headquarters operation with production being concentrated at the divisional HQs.

### Five divisions

The five divisions set up were: general bearings; transmission bearings; aerospace bearings; die bearings; and Whitehouse Industries. The last is the odd man out as it is the only one not concerned with bearings. Its line is fasteners, with the motor industry as one of its major customers.

Despite the short period since its founding this rationalisation programme has now been completed. The grouping together of like products and the cutting out of much overlapping has already had considerable beneficial effects. It has been possible to reduce the work force to some 12,500 through natural wastage, redeployment and other methods. Output per man has been pushed up to some £3,600 and by the end of this year it will be around £4,000—as originally planned.

There is still some way to go before the company competes on an equal footing on an output-per-head basis with

the world leaders. But what is important is that a British company has been able to double its own figure virtually within a year and come within striking distance of the giants of the trade at a time when economic conditions have not favoured it.

Mr. Barlow is naturally happy about the progress that has been made. "We are pressing ahead with modernisation as fast as we can," he said recently. "We are just getting the new machinery that we want delivered. We are half-way towards replanning the layout of our factories. At Newark, for instance, we are going to put up a completely new grinding shop, which we are scheduling for next year, and other work will be undertaken at other factories. We are improving our methods, too. We are now as good as anyone in this country."

### Point of sale

Part of the success that has come about in the 20 months has been on the export side. There are major subsidiaries in Australia, Canada, the U.S. and South Africa. In Europe, where new managers have been introduced, there are companies in Belgium, France, Holland and West Germany. Exports have risen strongly, partly as a result of the policy of putting stocks nearer the point of sale.

"We can do better almost everywhere," Mr. Barlow asserts.

One proviso at the moment is the U.S. The import surcharge recently introduced there will probably cut down the strong rate of growth and flatten the growth curve. But the company is to absorb the surcharge for a while, hoping that the U.S. manufacturers, at the end of the price-freeze period, will put their own prices up and allow its own charges to go up at the same time.

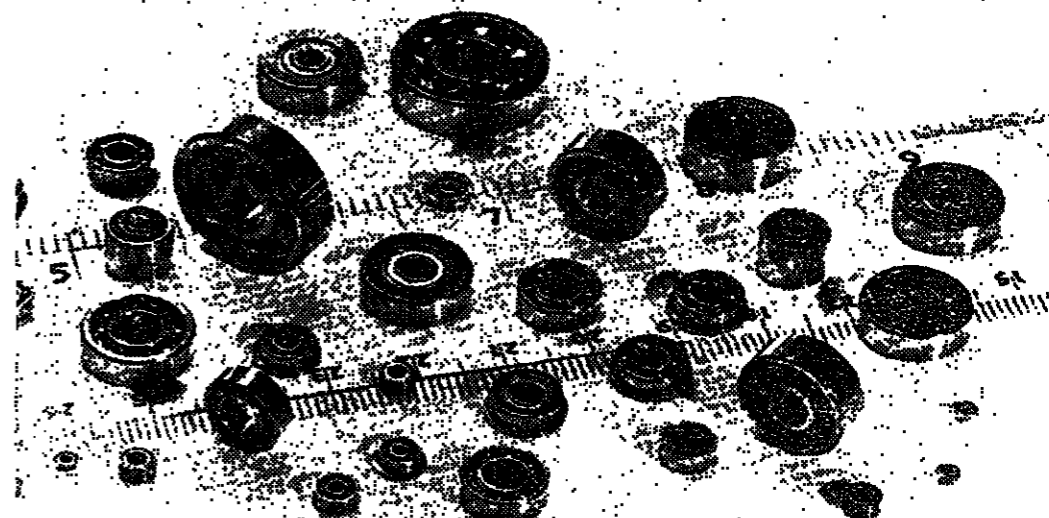
On the home market, the two-year-long shortage of bearings has now all but disappeared. This shortage was, to some extent, exaggerated by the tendency for buyers to double order in order to ensure supplies. Mr. Barlow said that one of the first jobs was to try to bring down delivery dates and, aided by the stagnation in the economy, it managed to bring down delivery times "enormously and, most gratifyingly, before our competitors." There is now virtually no shortage of popular sizes of general bearings, though this is still not true of the specialised ones. Mr. Barlow believes there has been a bottoming-out recently and that orders will start to improve.

Since the IRC has now been wound up by the Government there remains the issue of its holding in the company. The IRC portfolio stood at 150,000 ordinary shares, 12m. deferred and 8.5m. of 8 per cent. convertible loan stock. In a company that had not done well—and not all the IRC chicks turned into swans—disposing of this capital could have presented difficulties. RHP, though, has turned in most satisfactory turnover and profit results. Consequently, the merchant bank which is handling the matter is finding little problem in getting the institutions to take acceptable slices of the capital.

An upturn in the economy will do particular wonders for RHP and could shape it into a force to be reckoned with on world markets. The company

has already established itself as the leading U.K. concern—where 80 per cent. of its turnover comes from—and with this solid base it is in an excellent position to grow overseas. This is a challenge that Mr. Barlow is not likely to let slip.

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